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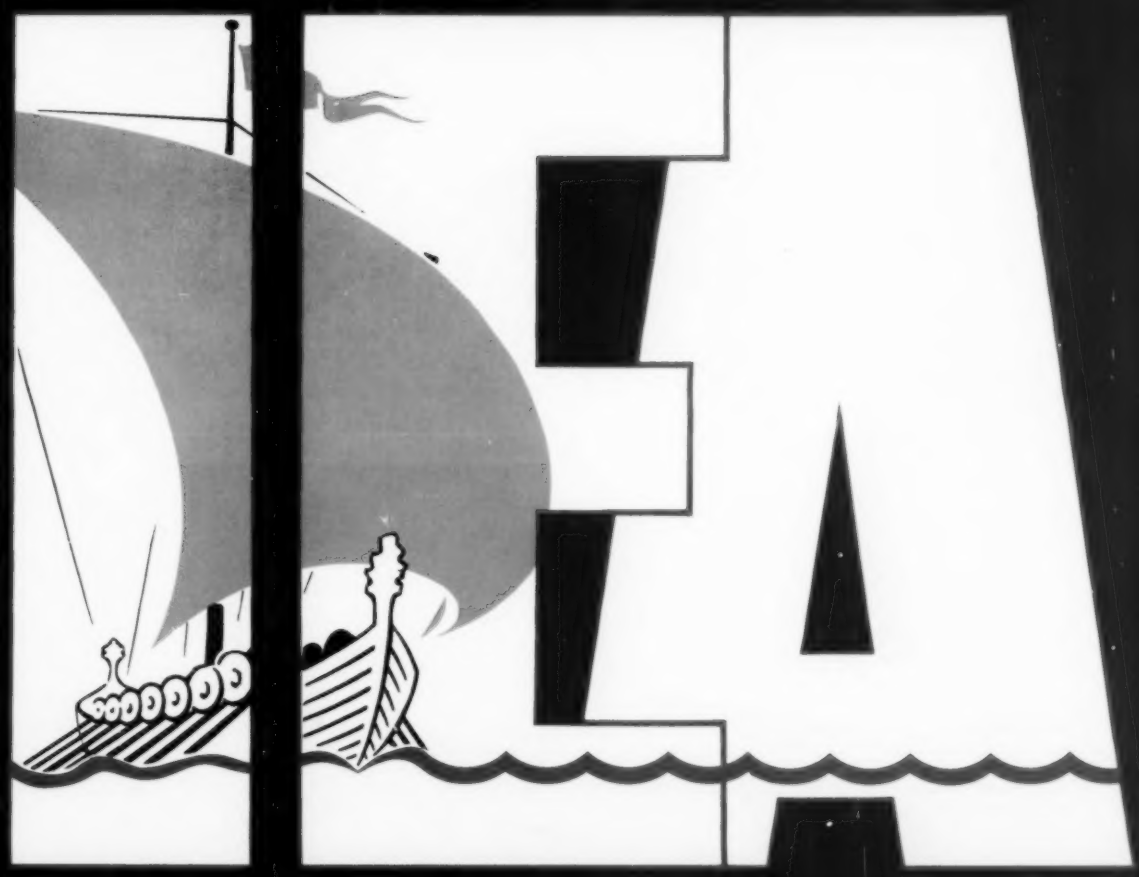

53rd Annual International Executives Association Conference

A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Trade Winds

Company News

MINERAL PRODUCTS—Conwed Corp., St. Paul, plans to expand overseas manufacturing facilities for mineral fiber ceiling and interior products into the South Pacific through a venture with N.Z. Forest Products Ltd., New Zealand, a manufacturer of paper, building materials, and other forest products. The New Zealand firm has 5,000 employees, three facilities, and more than 250,000 acres of pine forest plantations. Conwed has foreign affiliates in Japan, Canada, India, Germany and Sweden.

FOODS—CPC International Inc., Englewood Cliffs, N.J., plans to acquire S. B. Thomas, Inc., a specialty baker of English muffins and other bakery products. Thomas will be obtained through an exchange of common stock and will be operated as an independent company in CPC's consumer division, Best Foods. Thomas, established in 1880, operates plants in Long Island, New York and Totowa, N.J. and serves the East Coast. CPC, in addition to food processing, is active in chemicals, pharmaceuticals and corn refining.

CONSTRUCTION—Badger-Tomoe Co., Ltd., Tokyo, has been awarded an engineering contract by Sumitomo Chiba Chemical for a process to recover ammonium sulfate at the Sumitomo acrylonitrile plant which is now under construction. Badger-Tomoe is jointly owned by Badger Co., Inc., Cambridge, Mass., an international design, engineering and construction firm, and Tomoe Engineering Co., Ltd., Tokyo. The recovery process removes fertilizer-grade ammonium sulfate from the acqueos waste stream of the acrylonitrile process.

PLASTICS—LNP (Liquid Nitrogen Processing) Corp., Malvern, Pa., and Asahi Glass Co., Ltd., Tokyo, have completed a licensing agreement allowing the Japanese manufacturer of sheet glass to make and market LNP glass-fiber fortified thermoplastic materials in Japan. It also granted Asahi the right to sub-license other Japanese firms for the manufacture of the engineering plastic materials. LNP produces a variety of reinforced and/or lubricated polymer compounds. Initially, needed materials will be imported, but construction of a plant for local manufacturing of the line will be completed in the near future.

Newsletter

Publication of a report on Kennedy Round tariff cuts affecting business machines brings to ten the number of such reports released by the Commerce Department. Data, which includes pre-Kennedy Round rates, final rates, and the various step cuts, refers to import duties of major European nations plus Canada and Japan. Accurate information on current or future duty levels can help shape sound overseas marketing strategy. Last week's INTERNATIONAL COMMERCE carried details on obtaining these reports.

The State of Washington went all the way to Europe, to sponsor an exhibit in the Brussels Salon des Vacances —Holidays Fair—last month. But then the Coast State is not so far from Europe as might be assumed—Pan Am and another airline provide direct flights from Europe to Washington—over the North Pole. The Washington State International Trade Fair unit is convinced that it helped sell the State's products at Brussels, including vacation homes, snowmobiles, and water sports items, and also stirred the interest of tourists from Europe.

Progress toward uniform world product standards is one of the aims of 1400 delegates to the 35th conference of the International Electrotechnical Commission, who will meet in Washington May 17-30. Commerce's Business and Defense Services Administration, Communications-Electronics Division, is setting up technical visits to industry and Government installations for these specialists from around the world.

Here's the situation that is behind the Administration's new maritime program, as concisely defined by Maritime Administrator A. E. Gibson: "In 1950, U.S. oceanborne foreign trade amounted to 117.5 million long tons, of which 49.7 million tons, or 42.3%, was transported in U.S.-flag ships. In 1968 (latest data year) our foreign trade tonnage topped 418 million. But the amount carried in U.S.-flag vessels had skidded to only 26.8 million tons—equivalent to only 6.4% of the total."

Go West and go worldwide. A new movement uniting western organizations in favor of freer world trade is on the drawing boards. Officers of 25 chambers of commerce, world trade associations, agricultural and manufacturing trade groups from seven states met recently in San Francisco to get the movement started. They'll meet there again on May 11. Banker W. A. Muriale, who is active in the National Export Expansion Council, is acting chairman.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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the cover

Recognizing the broadened scope of its membership over the years—from exporting to the whole area of international operations—the International Executives Association will broaden its views even further this week when it meets in New York for its 53rd annual conference. A look into the decade of the '70's will be featured at the two-day meeting.

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Davis to lead anti-pollution trade mission

An Environmental Control Equipment and Technology Mission in the quest of both markets and an exchange of technological information will visit London, Paris and Berlin next month to sell U.S. equipment and investigate European successes in environmental quality control, Secretary of Commerce Maurice H. Stans has announced.

Led by Assistant Secretary of Commerce Kenneth N. Davis, Jr., the environmental control group will be part of a broader trade mission of 30 businessmen, jointly sponsored by the Commerce Department and Trans World Airlines, to promote trade in Europe. The full mission will include representatives of companies selling electronic data processing equipment and electronic components as well as environmental control equipment, the Secretary said.

The Secretary's announcement of the mission was made following a meeting with Anthony Wedgwood Benn, British Minister of Technology, at which technology information exchange on environmental control was discussed among other government-industry technological problems of concern to both Governments.

With Secretary Stans in the discussions were Assistant Secretary Davis; Myron Tribus, Assistant Secretary for Science and Technology; and Harold B. Scott, Director of the Bureau of International Commerce.

"Although the primary objective of the entire Mission is export expansion, Assistant Secretary Davis and the representatives of environmental control equipment will also participate in seminars and discussions with businessmen and government leaders and visit pollution control installations abroad so that we may benefit from all the experience in these countries," Stans said.

Earlier Secretary Stans had chaired the first organizational meeting of the newly created National Industrial Pollution Control Council attended by top industrial leaders from throughout the nation.

Future Commerce Department trade promotion events abroad for products related to environmental quality control will be modified wherever possible to include a stronger element of technological exchange, Stans said.

The Bureau of International Commerce has announced an exhibition of environmental test equipment in the U.S. Trade Center in Stockholm Sept. 28 and is considering exhibitions of other pollution control equipment for Germany and Japan later this year. The Bureau is also considering participation in "Pro Aqua/Pro Vita," the most important exhibition and pollution abatement symposium in Europe next year, in Basel, Switzerland, in June.

A seminar in connection with an industrial air quality treatment equipment exhibition last month at the U.S. Trade Center in Milan drew an audience of more than 500.

Ohio Valley World Trade Conference meets in Louisville

Commerce's McLellan to speak at group's 5th annual session

Businessmen and industrialists from the Ohio, Kentucky and Indiana area will get together at the Fifth Annual Ohio Valley International Trade Conference in the Executive Inn, Louisville on May 13. Trade, banking and manufacturing specialists will address themselves to the conference theme: "EXPORT: . . . GO GLOBAL. . . ."

Honorary conference chairman is Dr. Ronald E. Reitmeier, President of Catalysts and Chemicals of Louisville, Harvey W. Sollinger, Vice President of Whip-Mix Corporation, is chairman of the conference and will deliver the welcoming address.

Robert McLellan, Deputy Asst. Secretary of Commerce for Business Development, will speak at the Conference.

Other speakers include: Robert E. Simpson, Director of the Commerce Dept.'s Office of International Regional Economics; J. Patrick Dugan, Treasurer-Controller, Export-Import Bank of the U.S.; Patrick M. O'Leary, Director, Office of Procurement, Agency for International Development; Charles P. Kelsey, Branch Manager, Foreign Credit Insurance Association.

Another session will have four panels answering questions from the audience, touching on various fields in international business: international marketing, financing, insurance, etc. The panelists will be composed of the morning session speakers plus 16 Louisville businessmen active in international trade.

The sponsors and cosponsors of the event are: Kentuckiana World Commerce Council of Louisville (KWCC); School of Business, University of Louisville; World Trade Club of Cincinnati; World Trade Club of Dayton; Regional Export Expansion Council; Lousiville Area Chamber of Commerce; Kentucky Dept. of Commerce; and Evansville Chamber of Commerce.

It is expected that Metropolitan Louisville firms either engaged in or interested in international trade will be heavily represented at the sessions. Out-of-town registrants will be coming from Cincinnati, Dayton, Hamilton and Middletown, Ohio, Lexington, Kentucky and Evansville, Indiana.

The Kentuckiana World Commerce Council in the Louisville Chamber of Commerce headquarters, 300 West Liberty St., Louisville, Kentucky 40202, is accepting reservations.

Spain put into new investment category

Secretary of Commerce Maurice H. Stans has announced that the Office of Foreign Direct Investments will reclassify Spain from Schedule C to Schedule B under the Foreign Direct Investment Program.

This change, which will be made retroactive to Jan. 1, 1970, is the result of a reevaluation of Spain's economic position.

Direct investors subject to the Foreign Direct Investment Program will not be required to refile their reporting forms or recalculate their allowables available for use in 1970.

Positive direct investment in Spain during 1970 and subsequent years will be considered to be in Schedule B. Under the Foreign Direct Investment Regulations, investment in Schedule B can be covered by Schedule C allowables, to the extent not used in Schedule C, and Schedule B allowables.

More detailed instructions to direct investors for implementing this change and appropriate amendments will be issued.

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53rd ANNUAL MEETING

IEA broadens its sights

Global view of prospects for the '70s to be featured at New York conference

As world trade horizons expand, so does the scope of the annual meeting of the International Executives Association. This year's conference opens a new decade with the study of "The Global Approach—Business in the '70s?"

Following up on last year's examination of the changing nature of IEA's membership—from an almost total emphasis on exporting to a unit with about one-third of its membership engaged in the broader area of international operations—the conferees will broaden their approach even further by studying the entire decade ahead.

This year's meeting has been scheduled for Apr. 28-29 at New York's Statler-Hilton Hotel.

In their search for a globally-oriented speaker for the International Banquet which highlights the two-day conference, the IEA went to the United Nations. Lord Caradon, the U.K. Representative to the UN, will give the IEA members a chance to see themselves as a knowledgeable and highly-placed foreign observer sees them.

Foreign service consultants

For a closer view of the everyday mechanics of world trade as currently practiced, two U.S. Foreign Service Officers will be on hand for personal, individual consultations with conference participants.

John Troy, until recently the U.S. Commercial Attache in Santo Domingo, the Dominican Republic, will be available for both days of the conference, while John Boyle, the recently returned Commercial Attache in Brussels, will attend on the first day.

Troy, who has also served in La Paz and Buenos Aires, has been assigned to Madrid as his next duty post. Boyle, whose previous assignments have included Saigon, Rome and Antwerp, will go on to Tripoli, Libya.

"These consultations have become a regular feature of IEA conferences," said an official of the Commerce Department's New York Field Office. "There's no question that the consultors will be booked up solid for the whole time they're here."

For further information on these consultations, convention-goer may contact Franklin C. Shoemaker at the Commerce Department, New York Field Office (212 264-0624).

Keynoter for the conference will be Emil E. Schnellbacher, Asst. Director of the Commerce Department's Bureau of International Commerce. Schnellbacher will pull together all the threads of his years of service in the international trade field, and put the outlook for the '70s into perspective.

Harry P. Barrand, Jr., executive vice president of New York's Franklin National Bank, will discuss The Challenge of the '70s to International Executives.

Movie on understanding

This first morning's activities will wind up with a 17-minute movie, "The Fable," produced by Mobil Oil and dealing with international understanding.

The luncheon speaker will be John G. Montag, a Caterpillar Tractor vice president who has been a featured speaker at many major meetings of the U.S. international business community.

Panel sessions on Business in the '70s will constitute the program for Tuesday afternoon and Wednesday morning. The Tuesday discussion will be moderated by William Lukens, President of the American Society of International Executives, in Philadelphia; Wednesday's panel-in-the-round will be headed by Dr. Arno G. Huth, Executive Director of the International Study and Research Institute, New York.

Review technology's impact

The final conference-wide event, the Cooperating Organizations Luncheon, will hear U.S. Commissioner of Patents William E. Schuyler, Jr., discussing the impact of technological change on international business during the '70s.

As in years past, registrants will be polled on their answers to 85 specific questions on international business. Their responses will provide subject matter for panel discussions.

IEA history

This week's meeting is the 53rd International Executives Association Conference. Founded in 1914 as one of the nation's first export clubs, the IEA assumed its present name in 1960. It was formerly the Export Managers Club.

Membership was originally restricted to exporters, but through the years the membership base has been broadened to include international business executives from the allied fields of finance, transportation, publishing, engineering, advertising, public relations and consulting. International businessmen who work and live abroad became eligible for membership in 1967.

The Association's current address is 432 Park Ave. South, New York, N.Y. 10016 (212 684-1516).

International licensing course offered by AMA

For U.S. firms looking for a quick, direct way of reaching foreign markets without the burden of costly plant operations abroad, the American Management Association has scheduled a week-long seminar on international licensing at New York's Barbizon-Plaza Hotel May 18-22.

Kenneth W. Brown, chief patent counsel of Boston's Cabot Corp., will chair the sessions, which will include such guest speakers as: Abner Fein, chief of the International Business Promotion Division at the Commerce Dept.'s New York Field Office; Leo G. B. Welt, president of Welt International Management Service; Joseph C. Cardinale, partner in Momsen, Freeman & Cardinale, of New York City; Walter A. Slowinski, resident partner in Baker & McKenzie, Washington, D.C.; and Lawrence W. Newton, manager of licensing for Union Carbide Corp.

Write: American Management Assn., AMA Bldg., 135 West 50th St., New York, N.Y. 10020.

FCIA coverage broadened

Insurance revisions designed to benefit all, but with special stress on new-to-export firms

A complete reorganization of the export credit insurance program available to U.S. manufacturers and suppliers through the Foreign Credit Insurance Assn. aims to increase FCIA coverage to more than $2 billion worth of U.S. exports in 1971.

The new program was announced at a joint press conference held by Eximbank chief Henry Kearns, and Thomas M. Torrey, chairman of FCIA's governing committee. "The Nixon Administration's goal of achieving a substantial balance of trade surplus and equilibrium in our balance-of-payments account requires maximum effort by all elements of our export support facility," said Kearns.

Most importantly, according to both officials, the new program introduces an advantageous single comprehensive policy for small business exporters which will facilitate the use of export credit insurance by companies not having prior export experience or those exporting only a small volume to date.

The new policy provisions also include Catastrophe Coverage and a deductible feature, both of which represent significant improvements in the type of export credit coverage previously obtainable through FCIA. In addition, exporters will now be able to arrange for comprehensive coverage of commercial and political risks on short- and medium-term credits of up to five years, also with a deductible feature. For exporters who want political risk coverage only, a short-term/medium-term Political Policy is now provided to allow the broadest possible coverage without the inclusion of commercial coverage.

Another innovation is the provision of one-year terms of repayment for sales of initial inventory of short-term goods to foreign dealers and distributors.

Boost for agriculture

Also of major consequence is the reduction of minimum supplier participation from 5% to 2% in supplier credit coverage relating to agricultural commodities, a program long sought by U.S. cotton exporters.

Planned FCIA servicing improvements also include expanding to six branch offices in strategic locations throughout the country by the end of this year and opening six more in 1971 according to FCIA President Francis Boylan, who joined in the press conference which followed the joint announcement. Offices are presently located in San Francisco, Cleveland, Chicago and Houston. The growing requirements of U.S. manufacturers and suppliers involved in international trade indicate the need for easier access to assistance in the preparation of applications for FCIA coverage.

What it is

The Foreign Credit Insurance Association, representing some 50 stock and mutual insurance companies, has been providing export credit insurance to stimulate U.S. export sales since 1962. Eximbank, an independent agency of the U.S. Government with the sole purpose of facilitating the sale of U.S. goods and services to other countries, works in cooperation with FCIA by insuring the political risks and a portion of the commercial risks involved in the financing of exports. Up to Jan. 1, more than $3.9 billion worth of U.S. exports had been covered. Annual coverage had grown to the neighborhood of $700 million.

In early 1969 Eximbank initiated an exhaustive review of the FCIA program, looking toward improvements and changes that could be made to further assist this country in expanding its exports to meet the over-all national objectives in the 1970's.

The Governing Committee of FCIA has adopted the recommendations of Eximbank for expanding, very significantly, the coverage available to American business and industry and for meaningful modifications of existing policies. In addition to new and modified policies, the servicing by FCIA is scheduled for dramatic improvement.

Exporters and financing institutions can apply for FCIA coverage directly or through general insurance agents and brokers. As part of the planned servicing improvements, additional branch offices will be established in key locations throughout the country to serve exporters both directly and through agents and brokers.

A particularly significant aspect of the expanded service will be the establishment of a comprehensive pre-qualification of potential foreign buyers of U.S. products. This pre-qualification process, when fully implemented, will make it possible for branch offices to give on-the-spot approval to requests for insurance coverage for a large number of transactions. This system is expected to result in a substantial speed-up in action on applications.

New policies detailed

The new policies that are to be offered to exporters have resulted from an extensive market survey and analysis and are believed to be responsive to the real needs of American sellers and financing institutions. A summary of each policy follows:

Small Business Policy—A policy covering a two year period to provide compre-

HENRY KEARNS
Eximbank President

FRANCIS BOYLAN
FCIA President

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hensive coverage of political and commercial risks for all or any desired portion of short and medium-term sales will be available to newcomers in the export business or those who have modest sales. This coverage is intended for companies whose annual export sales do not exceed $200,000. The cost of these policies will be minimal.

Catastrophe Policy—Major exporters will benefit from the traditional "deductible" features that have been common in many lines of insurance. With the new single deductible policy detailed paper work can be eliminated to make possible reduced rates. This policy will cover political and commercial risks in various percentages of effectiveness for all of an exporter's transactions made on credit terms up to five years. It eliminates the danger of catastrophic experiences that otherwise would inhibit interest and participation in exports. The exporter will obtain political-only coverage on all of his exports, and may determine whether he wishes to have commercial risk coverage on sales to a pre-selected group of buyers in excess of an agreed deductible.

Short Term-Medium Term Comprehensive Policy—The policy will provide comprehensive coverage for both commercial and political risks on all or a reasonable spread of an exporter's short and medium-term credits for periods up to five years. The deductible feature referred to above will also be included in this policy.

Short Term-Medium Term Political Policies—For exporters who want political risk coverage only, this policy provides the broadest possible coverage without the inclusion of commercial coverage.

Initial Inventory Coverage—This coverage will allow exporters to extend to new dealers and distributors abroad repayment terms of up to one full year for the initial stocking of parts, accessories and other shelf items.

Agricultural Policy—In recognition of the fact that exporter margins are usually 2% or less in the case of most bulk agricultural commodity shipments, a new policy has been established to reduce the minimum supplier participation from 5% to 2% in supplier credit coverage relating to agricultural commodities.

These new types of policies will benefit the exporter by reducing the cost of the protection. The philosophy behind this new approach is to provide protection to the exporter for credit risks in exporting which are of a magnitude that he should not normally be expected to assume in the course of business. Thus the "deductible" portion is in fact the "normal" assumed in the course of business. To the extent that financially capable exporters are willing to accept "deductibles" which exceed their expected credit losses, the cost of the insurance can be reduced and the decision-making process accelerated.

Current policy forms

For an interim period, while exporters assess their individual needs, they will be able to continue to utilize, with appropriate amendments, the policy portfolio currently available from FCIA.

Still available will be the Short Term Comprehensive Policy, which covers both political and commercial risks, and the Short Term Political Policy, which covers political risks only. These policies are blanket-type policies which have required the exporter to insure all of his eligible short-term credit sales.

Insurance for medium-term protection is still available on a case-by-case basis in the Medium Term Comprehensive Policy covering both commercial and political risks and the Medium Term Political Policy which covers political risks only.

Providing coverage on sales of capital and quasi-capital goods to dealers is the Combined Short Term-Medium Term Comprehensive Policy. This policy initially provides coverage on goods while retained in the dealer's inventory, converting over to medium-term coverage when the goods are transferred to the buyer. It provides a method of effective floor planning of inventory.

U.K. import deposit cut

The rate of deposit required to be posted by importers with the British customs authorities will be reduced again, effective May 1, from 40% to 30% on the value of the goods under the terms of the Import Deposit Plan (IDP) originally announced at the 50% level on Nov. 22, 1968.

The previous cut from 50% to 40% had come into force when the IDP was extended for an additional twelve months beginning on Dec. 5, 1969.

Loan helps Philippine power firm buy U.S. equipment

The Export-Import Bank of the United States, the Morgan Guaranty Trust Company of New York, the Provident National Bank of Philadelphia and the First Wisconsin National Bank of Milwaukee, have authorized loans totaling $16 million in favor of Manila Electric Power Co. (Meralco), to finance the purchase of U.S. equipment and services required in the expansion of Meralco's distribution and transmission facilities.

Meralco is a private corporation which has engaged in the generation and sale of electric energy in Manila and nearby areas since 1903. It was formerly owned and operated by General Public Utilities Corp. (GPU), incorporated in New York.

Meralco has agreed to a 10% cash payment in advance on all purchases. Total cost of U.S. equipment required in the three-year expansion project is estimated at $17.8 million. Eximbank has also authorized financial guarantees in favor of the three participating banks.

Vienna trader, firm denied U.S. exports

Failed to account for disposition of strategic magnetic tape

Johann Nitschinger, a dealer in electronic computing accessories and magnetic recording tape, and the firm he controls, Comp-Data GmbH of Vienna, have been temporarily denied all U.S. export privileges for suspected illegal export transactions involving strategic U.S. products.

Charges filed against Nitschinger and his firm allege that they acted for foreign parties who were prohibited from trading in U.S. goods. In this connection it is charged that Nitschinger ordered for these parties $52,000 worth of magnetic recording tape which was exported from the United States and reexported to an unauthorized destination.

The temporary order will remain in effect until final disposition is made of the charges. To prevent evasion of this order by Nitschinger and Comp-Data it was made applicable to Karl Pechacek of Vienna, who is employed by the firm, and to Vindobona GmbH, also of Vienna, in which Nitschinger is a part owner.

Under the terms of the order all validated licenses in which the named parties have an interest have been canceled and they, their agents and employees are prohibited from participating in any transactions involving commodities or technical data exported or to be exported from the United States.

The U.S. export control regulations provide that without authorization from the Department of Commerce, no party may trade in U.S.-origin commodities or technical data with a party he knows has been denied U.S. export privileges.

U.S. position declines in most leading markets

Purchases of U.S. products fail to keep pace with the surge in world imports

A large majority of the 50 leading U.S. markets reported higher imports from the United States in 1969 compared to the previous year. Most of them, however, increased their imports from other sources at a faster rate. As a consequence, our market share expanded in less than a third of the countries shown in the accompanying table.

The U.S. position continued to weaken in most of our top ten outlets despite the generally rapid growth in their imports of U.S. products. The only bright spot for U.S. exports among these markets was the United Kingdom where our share edged upward. In Japan, our portion of the import market remained at 27%, but in our other principal outlets, notably in France, the Netherlands, and Belgium-Luxembourg, it declined.

World imports climb

Widespread and rapid expansion in the output of most industrialized countries during 1969 stimulated demand for imported goods. In the majority of those nations, purchases rose in excess of 15%. The Common Market members were in the forefront of this advance with gains ranging between 20 and 25%. France led the major trading nations with a one-fourth expansion in foreign purchases, a gain twice as fast as in 1968. The Federal Republic of Germany continued to buy abroad at a quickening pace; imports into that country were also nearly one-fourth greater in 1969 than the year before. Rapidly rising industrial production and booming domestic and foreign demand were behind the buoyancy of the German market.

Both Italy and Belgium-Luxembourg lifted their imports by 20%. Despite the wave of strikes which slowed economic growth during the fall months, the Italian market for foreign goods continued to expand, as government measures to bolster income generated increased domestic spending. An exceptionally high level of economic activity in Belgium throughout the year stimulated a rapid inflow of imports, originating principally in nearby France and Germany. Dutch purchases from other countries were only slightly less buoyant as they responded to stepped-up investment expenditures and growing output.

Japanese imports, which had slowed their rate of advance during the latter part of 1968 and through mid-1969, picked up speed toward the end of last year. The increase was associated with replenishing inventories and with renewed strength in industrial production. The modest 5% increase in U.K. foreign purchases reflected success of the government's efforts to dampen demand, especially for manufactured goods. With both the economy and inflationary pressures strong throughout most of the year, Canadian imports remained buoyant.

Emerging from a period of domestic restraint, Finland boosted its buying abroad by more than one-fourth in 1969. Spain also rapidly accelerated imports, as burgeoning demand outpaced production. The marginal growth in Portuguese purchases stemmed from sluggishness in the economy and slack investment. Turkish imports declined slightly; strict controls, aimed at husbanding scarce foreign exchange, continued to limit the purchase of foreign goods.

With generally improved earnings, most developing countries were also able to purchase increased amounts of needed foreign goods during the past year. Argentina boosted its purchases abroad by almost two-fifths, as that country continued to expand its economy and to battle inflationary pressures. A rise in imports slightly in excess of one-third underscored Taiwan's vigorous economic growth.

Both Korea and Singapore lifted their purchases by about one-fourth. While this rate represented a slowdown from the 1968 rise for Korea, it marked a significant expansion for Singapore. The increase in imports into Nigeria resulted mainly from higher purchases of equipment for the petroleum industry.

Several of the other major developing markets recorded little or no import growth. India's one-fifth cutback in imported supplies reflected a reduction in grain requirements following two years of good crops. The Iranian policy of curtailing the purchase of nonessential foreign items held import growth to negligible proportions. Tighter import and exchange controls imposed to correct balance of payments deficits were largely responsible for the moderate decline in Philippine imports.

U.S. sales grow

Virtually all U.S. customers among the economically advanced areas and a high proportion of those in the developing world reported higher purchases of U.S. goods in 1969. Despite these increases, our position relative to other suppliers improved in less than one-third of our 50 major markets.

Germany was the fastest growing of our top ten markets, but U.S. exports continued to lose ground there in the face of sharp competition. The 16% increase in Japanese purchases of U.S. goods enabled our exporters to hold their own in that import market for the first time in several years. Coal, chemicals, aircraft, steel scrap, aluminum, and corn were among the principal products responsible for the increase in U.S. supplies. Cotton

A report on the value of total imports into all of the major free world foreign markets for which current statistics are available, and the U.S. share of those markets, is published quarterly in INTERNATIONAL COMMERCE. *The preceding report appeared in the issue of Feb. 9.*

The article and accompanying table are prepared by specialists in the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce.

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shipments to Japan, as to other countries, were sharply limited because of domestic U.S. shortages.

Buoyed particularly by higher purchases of aircraft, Italian imports from the United States rose by 15% over 1968. Canadian purchases in this country showed about the same rate of growth, with arrivals of automotive equipment accounting for most of the expansion. Despite these strong sales, our market position deteriorated in both countries.

The United States improved its position marginally in the British market in 1969, with a 6% rise in sales. Larger purchases of aircraft accounted for more than half of the advance. Our share of the Spanish import market also moved slightly higher following a sizable rise in purchases of U.S. products. That increase appeared to be mainly in machinery and in steel and scrap. The U.S. share improved considerably in Greece, Ireland, and Finland. Greek imports from the United States rose by 60%, with aircraft accounting for much of the increase. Higher receipts of U.S. aircraft were likewise mainly responsible for the 40% advance in Finnish and Irish imports from this country.

France, Belgium-Luxembourg, and Switzerland raised their purchases of U.S. goods by 11%, but in each country our share of the import market declined.

Among developing nations, the biggest increase in the latest 12 months for which data are available was recorded for Viet-Nam. From July 1968 to July 1969, arrivals of U.S. goods in that country more than doubled. Singapore and Argentina each recorded a rise in imports of around two-fifths. In Singapore, increased amounts of transistors and telecommunications equipment accounted for a good part of the gain. This entrepôt is emerging as another overseas base for assembly operations of U.S. firms. Our primary steel played a key role in the increase in Argentine imports.

Nigerian arrivals from this country were almost a third higher, primarily as a result of larger shipments of oil field equipment and wheat. Aircraft and machinery figured prominently in the 27% rise in Israel's imports. The United States improved its position in all of these developing markets.

On the other hand, our import share slipped in Taiwan, Korea, and Hong Kong, although each of these areas took more U.S. goods during the past year than in 1968. Substantial reductions in U.S. aid shipments of wheat and fertilizer to India markedly lowered our share of that market. Imports of U.S. products fell off by nearly one-fifth in Iran and Pakistan, and by narrower margins in several other smaller developing countries.

MANY DEVELOPING AREAS bought more from us last year. Above, U.S. equipment at work in Africa.

At the end of 1969, the official gold and foreign exchange reserves of most of the 50 leading U.S. markets were larger than at the close of 1968. A huge drop was recorded by Germany, however, and smaller, but sizable declines by France and Italy. Several developing nations raised their reserves by appreciable amounts during the year.

Short-term capital flows were responsible for the major shifts in holdings, responding either to speculation in foreign currencies, especially the mark, or to the tightening of monetary policy in the United States. After mark revaluation in August, the flow of funds to Germany was reversed, but the United States continued to attract short-term capital most of the year.

The major shift in the holdings of these 50 countries in 1969 was the $2.8 billion drop in German reserves, due largely to exceptionally heavy exports of long-term capital. The German trade balance last year showed a surplus of nearly $4 billion, only moderately below 1968 levels. Despite massive outflows of short-term funds following revaluation, Germany realized a small net gain in this account for the year.

With a trade surplus of nearly $4 billion, Japanese holdings rose by $750 million, almost as much as in 1968. Net payments for services showed a larger deficit, attributable to overseas travel and to repatriation of investment income. In order to prevent its foreign exchange reserves from rising too rapidly, Japan has adopted a monetary policy encouraging the replacement of foreign with yen financing.

The substantial increase in Belgian reserves stemmed in part from government efforts to stem the outflow of capital and renewed confidence in the Belgian franc during the closing months of the year. The trade surplus accounted for the bulk of the gain. With trade surpluses in the third and fourth quarters and a net inflow of long-term funds, the United Kingdom increased its reserves moderately despite substantial loan repayments. Among other important trading countries, Switzerland, the Netherlands, and Canada recorded modest gains.

Although France incurred another sizable loss in reserves during 1969, the decline was much less sharp than in 1968. Part of the loss was attributable to repayment of short-term debts to foreign monetary authorities. Italy continued to experience heavy outflows of capital, and as a result, reserves at year-end were nearly $350 million less than at the end of 1968. Spain's reserve position also weakened due to an unfavorable trade balance.

The increases in holdings of the developing countries were limited to a relative few. Both Brazil and Chile recorded higher reserve levels because of expanded export earnings. India's sizable increase stemmed from expanded exports in conjunction with reduced imports, while the rise in capital inflows into Korea more than offset a deterioration in that country's trade account. On the strength of larger oil receipts, Libya once again led the African nations with a sharp boost in holdings.

Israel was the heaviest loser of reserves among developing countries because of higher imports. Argentina, too, suffered sizable losses, mostly in the December quarter.

World

The 50 markets shown below accounted for 90% of 1968 imports into all free-world foreign

Values in millions of dollars

Published

Country	1968 Imports			1969 Imports January through latest month				Import change in latest available 12-month period compared with preceding 12-month period		Reserves at end of fourth quarter	
	From world	From U.S.	U.S. share %	Latest month	From world	From U.S.	U.S. share %	From world %	From U.S. %	1968	1969
Germany, Fed. Rep. of	20,150	2,173	10.8	Dec.	25,006	2,619	10.5	+24	+20	9,948	7,129
United Kingdom	18,958	2,539	13.4	Dec.	19,956	2,703	13.5	+ 5	+ 6	2,422	2,527
France	13,929	1,319	9.5	Dec.	17,393	1,466	8.4	+25	+11	4,201	3,833
Japan	12,988	3,529	27.2	Dec.	15,025	4,094	27.2	+16	+16	2,906	3,654
Canada	12,437	9,108	73.2	Dec.	14,293	10,384	72.7	+15	+14	3,046	3,106
Italy	10,253	1,193	11.6	Nov.	11,336	1,297	11.4	+20	+15	5,342	5,005
Netherlands	9,291	1,014	10.9	Dec.	10,992	1,067	9.7	+18	+ 5	2,463	2,529
Belgium-Luxembourg	8,333	689	8.3	Dec.	9,987	767	7.7	+20	+11	2,187	2,388
Sweden	5,126	475	9.3	Dec.	5,899	505	8.6	+15	+ 6	815	696
Switzerland	4,513	404	9.0	Dec.	5,286	448	8.5	+17	+11	3,932	3,995
Australia	4,382	1,155	26.4	Dec.	4,545	1,138	25.0	+ 4	− 1	1,443	1,261
Spain	3,523	590	16.8	Dec.	4,234	728	17.2	+20	+23	1,095	833
Denmark	3,212	274	8.5	Dec.	3,799	293	7.7	+18	+ 7	449	446
South Africa, Rep. of	2,892	513	17.7	Nov.	3,005	514	17.1	+12	+ 9	1,471	1,397
Norway	2,706	206	7.6	Dec.	2,943	230	7.8	+ 9	+12	702	712
India	2,508	875	34.9	Oct.	1,829	523	28.6	−20	−34	682	926
Austria	2,496	84	3.3	Dec.	2,825	84	3.0	+13	+ 1	1,510	1,537
Brazil	2,132	685	32.1	July	1,240	350	28.2	+16	+11	257	658
Hong Kong	2,058	285	13.8	Dec.	2,457	330	13.4	+19	+16	(1)	(1)
Mexico	1,960	1,236	63.0	Sept.	1,530	937	61.2	+ 7	+ 5	657	662
Yugoslavia	1,797	90	5.0	Dec.	2,135	92	4.3	+19	+ 2	132	254
Venezuela	1,697	864	50.9	June	828	402	48.6	+15	+14	922	933
Singapore	1,661	114	6.8	Dec.	2,040	161	7.9	+23	+42	(1)	(1)
Finland	1,593	72	4.5	Dec.	2,023	103	5.1	+27	+43	354	359
Korea, Rep. of	1,463	452	30.9	Dec.	1,824	530	29.1	+25	+17	391	553

Note: The countries shown above include the 50 major importers of U.S. merchandise in 1968 for which current data are available. In order to present comparable statistics for all countries, import data have been adjusted from an f.o.b. valuation to a c.i.f. valuation for the following: Australia, Canada, the Republic of South Africa, and Venezuela.

Reserves include official holdings of gold and foreign exchange and the gold tranche position in the International Monetary Fund.

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market report

markets and 93% of imports from the United States.

quarterly

Country	1968 Imports			1969 Imports January through latest month				Import change in latest available 12-month period compared with preceding 12-month period		Reserves at end of fourth quarter	
	From world	From U.S.	U.S. share %	Latest month	From world	From U.S.	U.S. share %	From world %	From U.S. %	1968	1969
Greece	1,392	107	7.7	Nov.	1,429	135	9.5	+15	+61	322	317
Iran	1,386	238	17.2	Oct.	1,165	165	14.2	+([2])	−19	292	311
Philippines	1,280	415	32.4	Dec.	1,254	358	28.5	− 2	−14	161	121
Portugal	1,178	86	7.3	Dec.	1,231	61	4.9	+ 4	−29	1,362	1,444
Ireland	1,175	87	7.4	Dec.	1,416	125	8.9	+21	+45	545	691
Argentina	1,169	270	23.1	Sept.	1,137	250	22.0	+39	+42	760	538
Thailand [3]	1,131	215	19.0	Sept.	986	172	17.4	+18	+ 7	1,021	985
Israel	1,089	245	22.5	Dec.	1,318	311	23.6	+21	+27	663	412
Pakistan	996	300	30.1	Dec.	1,011	246	24.3	+ 2	−18	252	325
Taiwan	903	240	26.6	Dec.	1,213	292	24.1	+34	+22	381	477
New Zealand	895	108	12.1	Dec.	1,003	121	12.1	+12	+12	76	113
Turkey	770	122	15.8	Dec.	754	128	17.0	− 2	+ 5	123	245
Chile	743	285	38.4	....	....	....	....	+ 2	+11	208	240
U.A.R. (Egypt)	666	37	5.6	May	224	13	6.0	−21	−13	168	139
Libya	645	109	16.8	Mar.	156	19	12.2	+29	+29	539	918
Colombia	643	322	50.1	Sept.	547	240	43.9	+16	+ 8	173	221
Peru	628	213	33.9	Dec.	601	186	30.9	− 4	−13	111	167
Kuwait	611	105	17.1	....	....	....	....	+ 3	−19	173	182
Nigeria	541	62	11.5	Dec.	693	82	11.8	+28	+31	126	131
Viet-Nam, Rep. of	466	136	29.2	July	440	157	35.6	+91	+149	279	227
Trinidad and Tobago	420	63	15.1	Nov.	430	65	15.2	+13	+21	49	44
Jamaica	383	148	38.6	July	260	113	43.4	+ 7	+17	142	140
Panama	266	104	39.0	Sept.	205	74	36.1	+11	+ 4	88	[4] 146
Ecuador	244	86	35.0	Aug.	170	53	31.0	+15	+ 2	57	65
Costa Rica	214	81	37.8	June	106	39	36.5	+12	+11	21	29

[1] Not available.

[2] Less than 0.5 percent.

[3] Port of Bangkok only.

[4] End of September.

Source: Official trade statistics of listed countries.
International Monetary Fund, *International Financial Statistics*.

U.S. purchases from Italy grew faster than sales

Imports advanced rapidly, exports more moderately; both set records last year

U.S. trade with Italy rose substantially from 1964 to 1969 under the stimulus of vigorous economic expansion in both countries. Our imports of Italian goods rose sharply during this period. Exports, on the other hand, increased more moderately.

Ranking seventh among U.S. markets, Italy takes 3½% of this country's exports. The United States is an even more significant outlet for Italian overseas shipments, absorbing about one-tenth of the total. Capital goods were the most buoyant product group in our trade with Italy—both among exports and imports. Nevertheless, industrial supplies continued as the leading components of U.S. sales to Italy, while consumer goods maintained the dominant position in purchases from that country.

Exports hit peak in '69

U.S. exports advanced by almost one-third from 1964 to 1969, reaching $1,262 million, a new high. Except for 1965, when governmental measures held down Italian demand for foreign goods, our deliveries trended upward, with particularly strong increases in the last two years.

The expansion in our sales generally followed the growth pattern of the Italian economy. U.S. exporters were unable, however, to capitalize fully on booming business activity of the past few years as some key export items were adversely affected by supply problems in this country and by increasing competition from Italian and other EEC sources.

Exports of machinery, which account for the major part of U.S. capital goods sales to Italy, paralleled trends in Italian investment outlays. Accordingly, the 1965 drop in sales of these goods was associated with a decline in such expenditures. When growth in investment resumed, shipments regained their momentum and continued to advance throughout the rest of the period.

U.S. shipments of industrial materials showed little movement between 1964 and 1968, despite generally rising Italian industrial production. This sluggishness stemmed in part from reduced sales of several previously important trade items. Our exports rose substantially in 1969, however, mainly from a boost in sales of iron and steel-mill products.

Sharply higher sales, mostly in the late sixties, boosted aircraft to one-eighth of U.S. exports to Italy. With more moderate gains, machinery also rose in importance to nearly one-fourth of the total. Conversely, industrial supplies, which accounted for one-half of our sales in 1964, represented only two-fifths in 1969.

Shipments of foodstuffs moved erratically over the period but remained at around one-eighth of overall exports. Consumer goods were a minor factor in our sales to the Italian as to most other European markets.

Aircraft lead sales to Italy

Aircraft, including parts and engines, spearheaded the advance in shipments of capital equipment, trebling to reach $158 million last year. In 1968 and 1969 together, the Italian national airline took delivery of 36 large U.S. jets as part of its program of modernization and expansion.

Increased Italian investment expenditures for the improvement of production techniques, modernization of the telecommunications system, and research and development resulted in a burgeoning demand for various types of U.S. machinery. Thus, our sales of electronic data processing equipment and accessories, the top machinery product shipped to Italy, increased more than one and one-half times since 1964. Fastest growing were semiconductor devices where exports more than trebled. Deliveries of telecommunications apparatus and measuring and controlling instruments also advanced rapidly.

Nevertheless, sales declined in a few U.S. machinery lines. Hampered by long delivery dates, particularly midway through the period, and by increased competition from Italian sources, metalworking machinery exports dropped sharply. Some improvement, however, was noted in 1969. Shipments of heating and cooling machinery and materials handling equipment were also lower.

Responding to growing Italian demand for feedgrains generated by higher consumption of meat and dairy products, exports of U.S. foods and feeds advanced by about a third, reaching $166 million in 1969. Soybeans and corn consistently accounted for three-fourths of these deliveries over the five-year period; animal fodder, for a large part of the balance.

Our shipments of soybeans to Italy rose by more than three-fifths, with much of the increase occurring prior to 1968. Sales of corn in 1969 were little higher than in 1964, though in the intervening years they varied considerably. Demand for U.S. corn depended primarily on crop conditions in Argentina, Italy's main source of supply. Only when Italian importers were unable to satisfy their requirements in Argentina did they turn to the United States. Moreover, our sales were also depressed by occasional Italian shifts to other grain imports and by larger domestic harvests, particularly after the increase in the import levies called for by the EEC Common Agricultural Policy in

U.S. trade with Italy

Year	U.S. exports to Italy	U.S. imports from Italy
	Millions of dollars	
1964	959	526
1965	893	620
1966	913	743
1967	973	856
1968	1,121	1,102
1969	1,262	1,204
	Percent change	
1964-69	+31	+129

Source: U.S. Bureau of the Census

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July 1967. These developments notwithstanding, Italy has remained one of the top markets for U.S. corn.

Although overall U.S. shipments of industrial supplies to Italy were practically level until last year's sharp rise to more than a half billion dollars, exports of a number of commodities advanced with little or no interruption since 1964. Logs and lumber, nonferrous metal scrap, principally of copper and aluminum, and paper and paperboard were among the more expansive of these exports.

After averaging around $11 million for several years, U.S. exports of iron and steel-mill products to Italy suddenly skyrocketed in 1969 to $47 million. This new development, which is considered temporary, occurred as Italian consumption outstripped domestic production and booming demand in other supplying countries limited their export availabilities. In addition, our sales of iron and steel scrap, which had been lagging through 1967, rebounded sharply.

Deliveries of logs and lumber more than tripled to $35 million, as Italy became the second largest market for U.S. walnut logs and a leading customer for Douglas fir boards. Our exports of paper and paperboard climbed almost as rapidly to approach $25 million, with kraft paper accounting for three-fourths of the total. The growing demand for these products was closely related to the increased sophistication of the Italian packaging industry.

Deliveries of copper, for some time one of our main exports to Italy, advanced to $42 million in 1969, in response to the high level of industrial production. Sales fell short of their 1966 peak, however, as the 1967 copper strike in this country reduced quantities available to foreign markets and Italy turned increasingly to Latin American sources of supply.

Lower sales of cotton and coal, stemming mainly from market developments in the United States, limited the growth in our exports of industrial materials. A series of poor cotton crops reduced our exportable supplies while competition from other sources continued keen. As a consequence, U.S. deliveries to the Italian market fell from nearly $60 million in 1964 to less than $7 million in 1969, when the drop was particularly sharp.

Coal exports, which had slumped by around $15 million each year between 1966 and 1968, dipped further in 1969 to $41 million, a record low for the period. Sales, primarily of coking coal, were adversely affected chiefly by rising U.S. prices. The large volume of coal shipments in 1964 and 1965 stemmed from a surplus situation and subsequently attractive quotations in this country. Since then, booming demand has made our coal more expensive and Italian importers have shifted to more competitive sources in the EEC and in Eastern Europe.

Principal U.S. exports to Italy in 1969

Commodity	Value	Change from 1964	Share of U.S. total exports
	$ million	Percent	Percent
Total	1,262	+ 31	3½
Aircraft, parts, engines	158	+287	7
Corn	67	+ 7	9
Soybeans	53	+ 64	6
Iron and steel-mill products	47	+107	5
Copper	42	+ 26	15
Coal	41	− 47	6
Logs and lumber	35	+204	7
Pulp and wastepaper	32	+ 57	10
Measuring and controlling instruments	31	+ 55	4
Iron and steel scrap	28	+ 62	9
Tobacco and manufactures	26	+143	4
Electronic data processing equipment and accessories	23	+124	3
Paper and paperboard	25	+228	5
Organic chemicals	23	− 14	3
Telecommunications apparatus	23	+ 45	4
Animal fodder	21	+159	5

Source: U.S. Bureau of the Census

U.S. imports climb sharply

U.S. imports from Italy rose to a record $1,204 million in 1969, more than double the 1964 level. This expansion was considerably faster than the advance in our total purchases of foreign goods. In keeping with the overall U.S. import pattern, however, the increase in arrivals of Italian products slowed during 1969, rising at less than half the average growth rate of the previous four years.

The inflow of goods from Italy, predominantly consumer items and industrial supplies, was highly responsive to business conditions in this country. Their rapid growth may be ascribed in large measure to the fortuitous timing of the economic cycles in the two countries. Deliveries from Italy began their swift climb in 1965, when, because of slackened domestic demand, Italian manufacturers promoted export sales more assiduously and found ready buyers in the United States where boom conditions had created an expanding and lucrative market.

Capital equipment—virtually all machinery—was the most buoyant component in U.S. purchases from Italy. The trebling in these imports boosted their proportion of the total to one-seventh. Consumer goods, the already dominant group, edged up slightly to around 54%. Industrial supplies also advanced moderately to almost one-fourth of the 1969 import mix. Foods and beverages declined appreciably in relative importance.

A growing interest in foreign design and style, attractive prices, and rapidly rising incomes, during the past few years, have created a buoyant U.S. market for imported consumer products. With its tradition of skilled craftsmen and imaginative designers, Italian industry was well equipped to take advantage of vigorous demand here, especially for footwear and clothing. Under the stimulus of this combination of factors, U.S. imports of Italian consumer items more than doubled to reach a total of nearly $650 million in 1969.

Purchases of footwear, currently the largest single item in the inflow of Italian goods, trebled to nearly $200 million. The sharp increase reflected in part the entry of more expensive lines of shoes. While women's casual shoes continued to account for the bulk of arrivals and were the prime mover in the expansion, imports of men's footwear advanced more rapidly.

By comparison, our purchases of Italian clothing, virtually all knitted or crocheted, were sluggish until their sharp rise to $127

million in 1968. They remained at that level last year. A relatively new entry, men's and boys' sweaters, proved to be the most expansive among the clothing items. Imports of women's coats, skirts, and dresses together jumped to three times their level five years earlier. On the other hand, women's sweaters and other outerwear declined considerably in value, significantly containing the growth of clothing as a whole.

U.S. imports of Italian durable consumer goods expanded substantially. Our purchases of household refrigerators soared to $23 million in 1969 from a half million in 1964. The most popular models generally ranged from 10 to 12 cubic feet in capacity. This exceptionally rapid growth reflects one of Italy's major industrial successes of recent years. Expanding at first on the strength of a booming domestic market, their home appliance industry emerged during the mid-sixties as second only to that of the United States. Foreign demand provided the basis for further growth in succeeding years and in 1969 Italy shipped abroad 60% of its total refrigerator output of nearly 3.5 million units. Although most of this production was destined for West European markets, the United States became an important customer last year.

The introduction of new compact models to the U.S. market in 1967 stimulated a sharp climb in auto arrivals from Italy to $67 million in 1969. Inflows of toys, sporting guns, and jewelry also rose considerably. From an insignificant level, deliveries of household sewing machines increased sixfold but still represented only a small part of our foreign purchases of this product.

Stimulated by rising U.S. capital outlays, purchases of Italian machinery advanced strongly to $160 million in 1969. The rapid growth of these imports is attributable principally to attractive prices, good delivery terms, and the incorporation of features not generally available in competing products.

Metalworking machinery—mostly boring and milling machines and lathes—led the expansion, increasing from less than $3 million in 1964 to $22 million in 1969. Much of the gain took place during 1966 and 1967, when, because of booming demand, U.S. firms were forced to look

abroad to fill their needs. Also buoyant were imports of textile machines and of printing and bookbinding machinery. Tractor parts surged to $12 million in 1969, three times their 1964 value.

Although almost doubling since 1964, our intake of Italian office machines lagged in comparison with the growth of other machinery imports. Purchases rose sharply through 1967 but have since contracted slightly. Desk calculators and adding machines made up the bulk of these products. Imports of typewriters showed little gain as some assembly operations have been transferred out of Italy, mostly into Spain.

Expansion in the inflow of industrial supplies stemmed from generally buoyant demand in this country and the marketing of some products for which Italy had been a relatively unimportant source in 1964. U.S. purchases of these supplies rose to $293 million in 1969 from $116 million five years earlier. More than half of the increase represented higher deliveries of residual fuel oil, steel, and tires.

Residual fuel oil was by far the most expansive import, climbing to $48 million from previously negligible values. Arrivals consisted of products processed from Libyan crude oil in U.S.-owned refineries in Italy and then imported into the United States to satisfy the rising demand for low sulfur fuel oil.

Imports of iron and steel products, mainly plates, sheets, and shapes, surged to $34 million in 1969. Purchases had been higher the previous year when the strike threat swelled total U.S. imports.

Automobile tire deliveries from Italy, mostly of the new radial ply type, also grew vigorously. This trend reflects Italy's enhanced role as a supplier of tires to the U.S. market—last year it accounted for over one-fifth of our total imports.

U.S. purchases of Italian textiles changed little until 1968 when fashion-generated demand for certain synthetic fabrics, the anticipation of trade restrictions on some woolens, and the expectation of the dockstrike combined to push imports up sharply. The level was not sustainable in 1969, however, and imports fell back, limiting the growth since 1964 to 50%.

Minor increases in purchases of Italian foods and beverages took place over the period. The advance was largely due to higher arrivals of wines and liqueurs which more than offset a decline in imports of canned tomato products.

This article was prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce, from U.S. Census Bureau statistics.

Italy set for good growth year; industrial production, restrained by strikes in 1969, should pick up

Substantial economic advances were recorded last year despite labor disputes; current trends should enhance trade prospects

Despite much-publicized difficulties and results that fell short of expectations, the Italian economy continued to record substantial advances in 1969 according to the semi-annual Economic Trends Report from the U.S. Embassy in Rome. Advance estimates place the real growth in GNP at between 5-5.5%. Gross agricultural production was up 3.5% with prices to farmers higher.

There are several observable trends in current market and business developments in Italy which should enhance prospects for new trade opportunities. Domestic demand (consumption spending for items such as appliances and convenience goods) is expected to rise, intensified by higher wages, pensions and salaries of government employees. This increasing purchasing power should be an important stimulus to the economy considering that wages and and salaries represent about 50% of the country's national income. Domestic supply is not expected to be sufficient to meet requirements, and demand for imports will be strong. An increase in imports of 15-20% appears likely.

Trade outlook is favorable

The expected growth in overall demand and in imports, along with the emphasis on new equipment and investment as the preferred course to generate higher productivity and compete in the Common Market, all point to favorable opportunities for American exporters of both capital equipment and consumer goods. U.S. business is well placed to profit particularly from a growing demand in Italian industry for high-technology and automated equipment.

Extensive investigations have identified a number of industrial areas with promising sales possibilities. Industries, leaders are under pressure to maintain the competitiveness of the Italian industry vis-a-vis its Common Market partners. New technologies and new industrial applications are creating a constant need for up-to-date and efficient equipment in many industrial sectors.

Market studies confirm that various kinds of hybrid circuits production equipment could sell well in Italy. Other prospects include thin and thick film circuit machines, photo etching apparatus and testing and sorting equipment. There is also interest in American automatic testing equipment.

In the aviation field American exports continue to expand. Alitalia has just announced its four-year investment plan under which $150 million will be invested for modernization. More than half of that amount has been earmarked for the purchase of aircraft. Another Italian airline company, Aero Transporti Italiani (ATI), has obtained a $10.2 million dollar loan from the U.S. Export-Import Bank for the purchase of American planes. In addition, ATI is buying with its own funds $28.4 million worth of spare parts.

The U.S. Consulate General in Milan has revealed interesting trading prospects for computerized instrument systems. Knowledgeable trade sources feel that the market demand for these products is bound to grow as the cost and performance advantages of measuring systems become apparent to prospective buyers. There seems to be a specially good market for certain types of products used by the electronics industry, particularly for automatic systems for computerized systems

Poised for growth

Italy looks poised for a year of fairly rapid growth in 1970. The balance of payments on current account remains strong and Italian export industries are expected to continue to prove competitive despite recent cost increases. Exports should have another good year but are not likely to match the 15.2% increase registered in 1969 as Italy's principal trading partners are all seeking to restrain demand.

adapted to industrial research as well as other product lines including computer-compatible and "programmable" instruments. In a related field the Consulate has also ascertained that, with the rapid growth of the Italian industry, there are excellent business prospects for advanced electronic control devices, various types of switches, starters and dischargers.

Italian imports of process control instrumentation systems are likely to continue to grow. Approximately 50% of Italian domestic needs are covered by imported American products. Because of rising Italian labor costs, however, trade sources stress that a wide range of American advanced process controls will continue to find an expanding market in Italy.

Current U.S. trade promotion efforts in Italy include exhibits of American products at the Milan Trade Center and a visit to Italy by a U.S. Trade Mission. The Trade Center provides a show case for American products with good commercial possibilities which have been identified through systematic investigation. Recent exhibits of items oriented to the Italian market included a display of advanced electronic components, microcircuits and related products and test equipment. Another show was devoted to "Photography in Science and Industry".

As a consequence of the impressive post-war industrial expansion in Italy, there is a growing interest in environmental air, soil, water and industrial waste control and instrumentation. The pollution problem is becoming more critical and there is a growing need for modern and efficient air and waste pollution control equipment. Trade sources estimated that there is a $2 million market for all types of pollution control equipment.

In consideration of this trade potential the 50th Trade Center exhibition "PURARIA", held from Mar. 1-8, was devoted to the industrial treatment of the air and to the control of air pollution. More than 30 American companies exhibited the latest and most modern equipment in air pollution control.

Good year for sellers

Italy's foreign suppliers should have an excellent year as domestic demand is expected to outstrip increases in domestic production capacity with a consequent boost to imports. Market prospects are favorable for both consumer and producer goods imports with emphasis on heavy equipment in the artificial fiber, rubber and automotive fields. Sales prospects are also good for American makers of computerized instrument and control systems and pollution control equipment.

Mission explored prospects

To take advantage of business opportunities in another sector a U.S. Department of Commerce-organized Trade Mission recently visited Italy. The West Virginia Mission, composed of seven experienced businessmen headed by a Commerce official, J. Raymond De Paulo, explored business prospects for various types of pumps, compressors, industrial valves and fluid power equipment. With the growth of the Italian chemical and electronic industries and construction of new automobile plants there is a strong demand for these products.

Last month the National Hydrocarbon Authority (Ente Nazionale Idrocarburi—ENI), one of the four largest state-controlled financial corporations, made public its four-year investment plans for the Nuoro province in Sardinia. These investment proposals, amounting to about $336 million, should open new foreign trade opportunities. Eighty percent of that amount will be used for the construction of a plant for the manufacture of acrylic and polyester fibers, a plant for the production of phthalic acid and a thermo-electric power plant. Remaining funds are destined for cotton and wool spinning, weaving and cotton and wool garments manufacturing, as well as textile dyeing.

Pirelli, the important Italian tire manufacturer, which has recently joined forces with Dunlop, has revealed its 1969-1973 investment plans. More than $390 million will be devoted to the expansion of plant facilities. About $224 million is listed for investments in the South and other underdeveloped areas of Italy.

Whether the economy can provide the funds to finance such an investment rate will depend on several factors: (1) keeping current expenditures of the public sector at a minimum; (the government administrative budget deficit for 1970 amounts to 3,061 billion lire ($4.9 billion) up almost 12% from the 1969 budget); (2) keeping the growth of demand—particularly consumption demand—within the growth of production capacity plus imports; and (3) reducing the capital outflow and diverting these funds to productive domestic investment.

Even if all these elements can be controlled, it is an open question whether investment decisions made at this late date can have more than a marginal impact on productivity during 1970. The Italian economy has repeatedly proved its resilience in the past and the moderate optimism currently being expressed in economic and business circles seems well justified.

Of special interest is the decision of the Fund for the Development of the South (Cassa per il Mezzagiorno) to allocate about half a million dollars for the solution of the water shortage problem on the island of Lampedusa. Currently water tankers of the Italian Navy supply the inhabitants with water. The investment will include construction of a desalination plant which would produce about 150 liters of fresh water a day per inhabitant, inlet and outlet works, electrical fittings and other related facilities. The Fund is inviting interested companies to submit bids. According to the Fund, companies will be free to choose the multi-flash, the thermo-compression or any other processing method.

Italy's overall balance of payments posi-

HARD HIT BY STRIKES in 1969, firms in the automotive industry expect output and sales of automobiles and equipment to recover this year. New roads and bridges like those below should spur highway travel.

XUM

tion underwent a considerable deterioration during 1969. For the first time since 1963 it registered an overall deficit, amounting to $1,368 million. However, Italy's surpluses during the 1964-1968 period (the cumulative total of which was $4.02 billion) have built the country's foreign exchange reserves to the third largest in the world, despite the losses by last year's deficit.

Capital outflow, the cause of the overall deterioration in the balance of payments position, amounted to about $3.8 billion in 1969. Of this sum, $2.3 billion took the form of illegal exportation of banknotes, while the remainder represented mainly trade credits and direct Italian investment abroad. Some of the illegal traffic in banknotes was a response to the attraction of higher interest rates abroad and speculation on the revaluation of the deutschemark.

Italian exports did well

On the trade account, exports during 1969 continued to grow at a vigorous pace. Preliminary figures for 1969 show that exports increased by 15.2% over 1968. The increase, although diminished by strikes in export industries in the last quarter of 1969, demonstrates the strong competitiveness of Italy's products on the world market.

In 1969 Italian imports rose 21% over 1968. Inflationary pressures appearing on the economic scene for the first time in several years, as evidenced by the price increases already mentioned, played an important role in bringing about this substantial rise in imports.

Increased domestic demand should keep the market for imports strong during 1970.

Italian exports to the United States rose by 20.7% in the first ten months of 1969 to $1.07 billion. Imports were also up 20.1% at $1.17 billion.

While 1969 began strongly for almost all sectors of Italian industry, the widespread strikes of the final few months held the annual industrial growth rate (which had been running at just under 8% through August) down to a 3.1% increase over 1968.

The hardest hit of the industrial sectors were the automotive industry where production fell 4.4% for the year, and the steel industry, where the 16.4 million tons produced fell 3.2% below the almost 17 million tons of 1968. The machine tool industry, after a buoyant first half, ended the year only 1.3% ahead of the previous year's output. Rapid recovery is anticipated in the latter two sectors, where both export and internal demand remains strong. The automotive industry is also counting on a good year in 1970 although Fiat's output continued to be slowed by wildcat strikes in January and February.

In the industrial sectors not affected by strikes, 1969 proved highly successful. Output of electrical household appliances was up 16% with exports accounting for 60% of output. Paper and artificial fibers production rose over 12% in each case. Output of refined petroleum rose 10.5% to 104.6 million metric tons and domestic natural gas output was up 13.4% to 11.8 billion cubic meters.

Natural gas also provided the most newsworthy development of the past six months as ENI, the state-owned petroleum holding company, in December 1969 signed a 20-year contract with the Soviet Union for 6 billion cubic meters of natural gas per year. The contract calls for initial Soviet purchases of about $200 million worth of Italian pipe and equipment with the expectation of further Soviet orders in the future. The gas imports from the Soviets will supplement the 3 billion cubic meters per year from Libya, delivery of which is expected to begin in 1970.

Activity in the domestic petroleum industry was concentrated in offshore drilling in the Adriatic which continued throughout the year with moderate success. Natural gas reserves estimated at about 100 billion cubic meters have been located so far and the level of activity indicates expectations on the part of major oil companies of larger finds to come. Despite interrupted production in its holdings in Nigeria and Sinai, ENI continued an active exploration program abroad and acquired new concessions in Alaska and Libya.

Building firms were busy

The construction industry had an extremely busy year with building materials shortages and rising prices of imported materials driving costs rapidly upward. Under new building code laws, construction had to be begun under many types of outstanding permits by August 1969. The resulting surge of new-construction starts encountered obstacles from strikes, rising wages and an increasing scarcity of mortgage money. An interest-rate subsidy on mortgage bonds has eased the situation slightly but the future of the industry remains clouded once the current boom is over.

The speed with which production recovers from the strike-induced pause of last autumn will also affect export performance in 1970. In January 1970 the results were mildly disappointing.

Under these circumstances, it might not be far o[illegible]he mark to expect Italian exports to increase by about 10% in 1970 and imports by as much as 20%. Should these predictions prove accurate, Italy's current account surplus might decrease to $1,600 million in 1970 from the estimated $2,500 million registered in 1969. This would still be a large current surplus in relation to the country's total GNP as well as the domestic need for these resources.

OUTPUT OF REFINED PETROLEUM climbed by over 10% last year. Most drilling was done offshore in the Adriatic. Above, a drilling rig in Sicily.

Again in 1970 the determining factor for the overall performance of the external trade position will be the capital outflow. What this outflow may be is impossible to predict with any degree of accuracy because so many variables enter the equation. Early reports indicate some capital outflow is continuing. The Bank of Italy has recently taken some new measures to stem the capital outflow. It issued a regulation that lire banknotes being repatriated must go directly to the Bank of Italy's Rome office rather than go through commercial banks as had been the previous practice. In addition, the "leads and lags" period was shortened by decreasing from 360 days to 30 days the permitted period of prepayment for imports and from 360 days to 120 days the period for postponement of receipt from exports.

Good weather contributed to a favorable year for Italian agriculture. Gross agricultural production rose 3.5%, partly through increased production but largely through higher farm prices. Farm income as well as farm labor wages showed important gains which significantly raised the standard of living of the rural population. Despite these gains, however, another 250,000 Italians left the farms for the cities in 1969.

Mission sees market potential for pumps, compressors, valves, fluid power equipment in Italy

Specialized group points out, however, that competition is keen and demand for local output is increasing

By J. RAYMOND DE PAULO
Mission Director

U.S. suppliers of pumps, compressors, valves, and fluid power equipment would do well to look now into the Italian market—where demand for modern, efficient machinery is increasing. U.S. products are highly regarded at present; but competitors are in evidence throughout the country and in addition, confidence in locally produced equipment is gaining.

This is the consensus of a specialized trade mission that returned last month from a two-week business tour in Milan, Turin, Bologna, Naples, and Rome. The equipment mission was organized by the U.S. Department of Commerce to promote direct sales, agencies, distributorships, joint ventures, and licensing agreements.

The six businessmen members represented their own companies, and paid their own expenses. Several had had previous contact with the Italian market but had not pursued it vigorously.

From four firms reporting to date, 12-month sales projections total about $610,000; three agencies are under negotiation. One member, whose company was already doing a small amount of business there reported at the conclusion of the mission:

"Our sales should go from $50,000 to $100,000 this year in Italy and I would venture to say that we should be able to do between $250,000 and $500,000 a year by 1975 . . . I accomplished in two weeks, at a cost of $2000, what it would have taken us two years and possibly $15 to $20,000 to do."

Good year ahead

Most of the Italian businessmen interviewed during the mission indicated that their long-range plans and investments were proceeding according to schedule. From all indications, 1970 seems to be a good year for U.S. suppliers in the fields represented by mission members.

Competent observers of the Italian economy recommend that American firms pursue the market aggressively. Local representation is highly desirable. U.S. business seems to be in a particularly advantageous position to capitalize on the growing demand for highly technical and automated equipment, as new technologies and new industrial applications are creating a constant need for up-to-date and efficient machinery.

Aviation is a particularly good area for U.S. business, as several large projects in that industry are under way.

All of these factors combine to make Italy a market well worth the best efforts of U.S. exporters.

Interviews well planned

Appointments with prospective agents, representatives and purchasers had been arranged by the Commerce Department through the U.S. Consulates in various cities. Generally, not only were the heads of these companies visited, but we were able to interview the persons most vitally concerned with the products being offered for sale or distribution.

During the 160 interviews, local businessmen expressed a high regard for U.S. products. The mission feels, however, that the present favorable demand for pumps, compressors, and valves may not last as Italian manufacturers and businessmen gain more confidence in their own products and abilities. American business will have to sell efficiently to make the most of the potential offered by this competitive market.

The Northern Triangle of Italy, Milan, Turin and Genoa represents 65 to 75% of the Italian potential for these products. Because of government participation in many of the large companies in Italy, however, it is advisable that U.S. businessmen visit Rome.

German, French and Japanese companies are in evidence all through Italy. A look at the business directories in Milan gives a clear picture of the importance attached to the Italian market. Many major German companies and several Japanese companies maintain representatives in Milan. The Italian market is easily serviced from France which would account for the lesser number of French companies represented in Milan.

Comments by the six business executives who comprised the trade mission covered various facets of their participation.

James E. Callahan, Deublin Co., Northbrook, Ill., pointed out that this was his first business trip abroad and he wasn't too sure "what to expect from anyone, nor how successful we would be." He was happy, he said, to have the preparatory briefing by the Commerce Department in Washington and later, the help extended by each Consular office abroad. Summarizing his on-the-spot observations, he added:

"The general business trend in Italy I found to be excellent. The South is the prime target for economic growth, and the Italians are striving to balance the opportunities in the South to equal those in the North. Much effort is being put into new construction of industrial sites and the old Northern Italian companies, as well as new companies, are building in the South.

"The machines too—in the construction, rubber, chemical, paper, textile and plastics industries—seem to be operating at near capacity and the immediate future looks prosperous.

"In our product line of rotating joints we may have been somewhat slow in reacting to the potential market that exists in Italy. We found several small Italian competitors. At least 6 companies in Italy make rotary joints, mainly due to price considerations. The quality of their products cannot equal ours, but until recently the consumer wasn't concerned with quality. I believe that the growing consciousness of quality on the part of the Italian consumer will be to the advantage of U.S. suppliers of rotating joints.

"I anticipate that our business in Italy should increase substantially from my visit."

Harold Shire, General Connectors Corp., Burbank, Calif., reported that the Italian market for U.S. aircraft products and systems is limited by several factors. "Italian industry makes many excellent products; European countries produce many excellent products with some attendant advantages; various duties and tariffs raise the price of U.S. products about 20%," he pointed out.

Production and design of aircraft in Italy is limited, but financing, manage-

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MISSION SELLING PUMPS and related equipment met with Embassy officials in Rome. L. to r., members Martin Tuckett, Howard Zabusky, Larry Blunt, Harold Shire, U.S. Ambassador Graham Martin, Mission Director Raymond DePaulo, Gene Goehringer, James Callahan, Commercial Attache Robert Sarich.

ment, design, engineering, and production there have reached a high standard of excellency and skill, Shire says, adding: "It is my opinion that in about five years there will be a much larger market for aircraft parts and systems, perhaps enough to sustain a broad effort. Only those possessing top technology and products can hope to succeed now.

"Locating a manufacturing plant between Rome and Naples and preparing for the coming market should be considered by U.S. aircraft parts and systems manufacturers."

G. R. Goehringer, Nash International Co., Norwalk, Conn., recommends trying a second approach if the first doesn't work well enough. His company had exhibited its compressors and pumps abroad with only moderate success—so it was with some reservation that his firm decided to take part in the mission, he explained.

"The trade mission, however, provided a very good vehicle for introducing new sales personnel at a high level in the various industries, and for telling potential customers whom we interviewed about our products.

"As Italy is our best current market in the European Economic Community, we expect our sales to improve substantially in the next 12 to 18 months after following through on the trade mission contacts. The U.S. Consul in Milan has already received a request, from one of the companies we visited, that we send our sales engineer at the earliest possible date to provide additional information for a substantial potential sale."

Mission member **Lawrence Blunt,** Avco Lycoming Division, Stratford, Conn., said of the increasing reliance on local output mentioned earlier: "Italians are building, planning new investments, and looking for new markets aggressively. There is a feeling that U.S. products are the best in the world and worth a small extra price. While U.S. products do enjoy a good reputation, U.S. exporters face growing competition from U.S. and foreign subsidiaries in Italy and other EEC countries." Blunt's company makes gas turbine engines.

Howard H. Zabusky, Cabot Piping Systems, Louisville, Ky., summarized the outlook for the equipment Cabot manufactures:

"The market for the products we produce and hope to export—plastic pumps and valves—is currently small in Italy. An accurate estimate is impossible, but it is fairly certain to be less than $1 million. There are at least two significant producers of valves, but no significant producers of pumps.

"The main purpose of our participation was to find distribution, so we obtained only a limited impression about the end user. Interest in the use of plastics for industrial fluid handling, and especially for water treatment, seems to be increasing rapidly.

"Distributors, and to an extent the end users, are extremely price conscious, and it will be necessary to be reasonably competitive in price with Italian-produced valves. Several people are interested in handling our products, but all want price information before making any commitment.

"Four possibilities for distribution have resulted from the mission, along with an indication of assistance from the Banca Nazionale del Lavora in finding distribution."

Martin J. Tuckett, Greenlee Tool Co., Rockford, Ill., expressed surprise about the effectiveness of the mission. His company manufactures portable, high-pressure, low-volume pumps and valves. "The prestige that the mission provided was amazing to me, but more important, it was impressive to our Italian representative. Make no mistake on this point—we were introduced as members of the U.S. Department of Commerce mission to top executives who would have been impossible to meet had we not been connected with the group. This held true for some of the largest companies, Fiat for example, as well as the smallest single-owner-type organization.

"This mission has been a successful venture for our company. Important contacts were made and increased business is expected."

Mission Director Raymond DePaulo is Director of the Commerce Department's Field Office in Charleston, W.Va.

Milan to host September show of electronics production, test goods

U.S. Trade Center display will coincide with ANIE; American firms may participate in international hybrid circuit seminar

Italy's booming electronics market which is expected to exceed $700 million this year, is setting the stage for rapid expansion of hybrid circuit production and opening major new sales opportunities for American makers of electronics production and test equipment, components and materials.

Assisting American manufacturers in entering or increasing their share of this growing market, is the U.S. Department of Commerce which is sponsoring an exhibition of production and test equipment, materials and components for hybrid circuits at the U.S. Trade Center in Milan Sept. 8-13.

This exhibition will coincide with the Associazione Nazionale Industrie Electrotecniche Ed Electtroniche (ANIE) Fair which will be held at the same time on the Milan fairgrounds adjacent to the Trade Center. ANIE is the Italian equivalent of the American Institute of Electrical and Electronics Engineers.

ANIE is the largest Italian exhibition in the electrical and electronics field, and attracts visitors from around the world. Its technical seminar this year centers on the manufacture and application of hybrid circuits.

Italian industrial and trade representatives are forecasting total sales of microcircuits will double in the next five years, reaching $10 million in 1975.

Market research for the Commerce Department's Bureau of International Commerce indicated an estimated 70% of the circuits now used in Italian production are imported from the U.S., while components and equipment for thin and thick film circuits are not yet manufactured in Italy.

The study also disclosed that a majority of the microcircuit testers and instruments used in Italy are purchased from American firms. The market for this type of equipment, including new and used apparatus, is estimated at $3 million annually.

The Commerce market research indicates that there is high sales potential in Italy for the following product categories for the manufacture of hybrid circuits:

► Production equipment—screen making equipment, printers, furnaces, trimmers, photo etching apparatus, machine tools for substrate preparation, circuit assembly equipment, encapsulation and hermetic sealing equipment.

► Test equipment—film thickness measuring devices; analyzers; meters; microscopes and other optical devices for alignment and inspection; adjusting machinery, and bridges.

► Materials and components—discrete components for hybrids; substrate materials; inks; adhesives; fasteners; solders; photo materials; ceramics; chemicals for plating, printing, soldering; resins and other insulating materials.

The Milan Trade Center show will be preceded by an intensive market promotion campaign utilizing the trade press, general press, direct mail and personal calls to assure attendance of qualified buyers, agents and representatives.

The Center's staff also has been working with ANIE Fair Authorities in cooperative promotion activities. Exhibitors will be listed in both the Trade Center and ANIE catalogs. American firms will be able to enter ANIE's seminar on hybrid circuits' manufacture and application.

Commerce has staged a number of successful exhibitions centered on various segments of the U.S. electronics field. This March the Frankfurt Trade Center was the site of an exhibition of sophisticated materials for the electronics industry, where 49 firms reported $167,807 in floor sales and estimated 12-month sales at $3 million.

At an exhibition of production equipment for the electronics industry in the U.S. Trade Center in Paris in January, floor sales of $345,040 were reported by the 41 exhibitors who estimated 12-month sales of over $7 million.

At the advanced electronics components and microcircuits show held in the Milan Trade Center in November 1969, the 58 participating U.S. firms reported $361,000 in floor sales and projected 12-month sales of $4.6 million. The U.S. exhibit at Japan Electronics Fair in Osaka in October 1969 brought $1.6 million in floor sales for 46 companies. Estimated 12-month sales will be $10.1 million.

Manufacturers interested in the exhibition in Milan, Sept. 8-13, may obtain further information and an Exhibitors Export Market Guide, IMIS 70-16, from the U.S. Department of Commerce, BIC-944, Washington, D.C. 20230 (202-967-5351) or any Commerce Field Office.

ELECTRONIC COMPONENTS AND MICROCIRCUITS were shown by 58 American firms in the Italian market last November. The Milan-U.S. Trade Center show closed with $361,000 in firm orders and 12-month estimates of $4.6 million. Below is B. Freudenberg's booth; the company represented several U.S. concerns.

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French food, lodging, tourist industries target of U.S. exhibit in EQUIP' HOTEL

International fair scheduled for Paris in October; 40,000 hotel rooms needed in next five years; French Government providing incentives

Keen competition for the tourist has opened a large potential market for American manufacturers of food service and lodging equipment as French hotels, motels and restaurants modernize their facilities.

U.S. firms are being offered an opportunity to boost their sales in this market through a U.S. Department of Commerce-sponsored exhibit at EQUIP' HOTEL, an International Exhibition of Hotel and Catering Equipment in Paris, Oct. 8-19. Forty-one U.S. firms will team with the Department's Bureau of International Commerce in staging the U.S. export promotion event.

The U.S. display will feature a full range of food handling and preparation equipment; refrigeration and air-conditioning equipment; commercial laundry and drycleaning devices; cleaning, maintenance and sanitation equipment, including can and bottle crushers, dishwashers and garbage disposal systems; floor polishing, cleaning and resurfacing machines; office furniture; bookkeeping and accounting machines, and reservation and communication systems.

The French tourist industry is gearing up to meet the influx of a large volume of travelers, and French trade sources indicate a need for at least an additional 40,000 hotel rooms over the next five years. The French Government, seeking to increase the country's earnings of foreign exchange, is providing such incentives as quality rating systems for public lodgings and low-cost, long-term loans for reinvestment in modernization and new construction, according to Commerce market studies.

To satisfy anticipated demand, all major airports in France are expanding their tourist facilities. A large international airport for supersonic and jumbo jets under construction at Roissey-en-France will include at least four hotels and 15 public restaurants, cafeterias and snack bars, enhancing sales opportunities for U.S. manufacturers of food service and lodging equipment. French resorts are also installing new recreation facilities, and building restaurants and hotels.

Months in advance of the show, market promotion experts will begin contacting potentially interested businessmen, including agents, distributors, restaurateurs, inn-keepers, hotel and recreation facility developers and government tourism officials to assure maximum attendance by a qualified audience.

This will be the first time that the Commerce Department has participated in the annual EQUIP' HOTEL, but other Commerce exhibitions of equipment used in the tourist industry have been excellent selling opportunities for U.S. firms.

The 21 U.S. companies showing commercial laundry and drycleaning equipment at the U.S. Trade Center in Tokyo during January 1968 did $1.1 million worth of new export business in a year as a direct result of the show. They also signed 11 agents to handle their products on a long-term basis.

A show of U.S. catering and food processing equipment at Osaka in July 1969 led to floor orders of $338,000 for the 41 exhibitors and a prediction of an additional $4.3 million worth of business in the year following.

TOUREX '67, a promotion of U.S. food service, lodging and other tourist equipment in Belgrade, Yugoslavia in September 1967 brought $559,000 in new overseas business to 38 U.S. companies in a year as a direct result of the show, at which 29 agents also were appointed.

Manufacturers interested in taking part in the U.S. exhibition at EQUIP' HOTEL and in an Exhibitors Export Market Guide, IMIS 70-14, should write to the U.S. Department of Commerce, BIC-948, Washington, D.C. 20230 (202-967-2434). Information also may be obtained from any of the Department's 42 Field Offices.

Austroshop '71 scheduled for Wels in February

American firms may participate in Austroshop, the first Austrian Trade Fair of store furniture and equipment, Feb. 24-28, 1971, in Wels. According to plans, this exhibition will be staged every other year, alternating with Euroshop, a similar event in Duesseldorf.

Companies producing or exporting store fixtures, furniture and display equipment should contact the fair management: Welser Messe reg. GmbH, Messegelaende, A-4601 Wels, Austria.

EXHIBITION BRIEFS *WORLDWIDE*

INTERNATIONAL HARDWARE TRADE FAIR. London. Jan. 26-30. More than 400 exhibitors from several nations took part in this 16th annual international event. Builder and home hardware, cleaning equipment, electrical appliances; camping and picnic equipment; garden tools; gift items; home laundry goods and plastic and rubber housewares were displayed. Several foreign governmental agencies also participated. Dates for the next show are not available.

MSF '70. Stuttgart, Federal Republic of Germany. Jan. 31-Feb. 6. This second biennial motor, sports and leisure oriented exhibition attracted about 200,000 visitors. Seventy exhibitors represented 248 firms from 12 nations, including four American companies. Products which appear promising for U.S. exporters are camping tents, equipment, and food; motor boats and engines; sports cars and accessories; swimming accessories; and leisure and sports clothing. A post-show study indicates that 87% of the exhibitors made new customer contacts, and 90% were satisfied with the outcome of their participation. Next show: Jan. 29-Feb. 8, 1972.

EIGHTH NATIONAL LEATHER GOODS FAIR. Sao Paulo. Jan. 24-Feb. 1. Leather, shoes, leather clothing and handicrafts, and raw materials for tanneries and the leather industry were displayed by 116 international exhibitors. A symposium of exporting leather goods coincided with the show. Approximately 30% of the 200,000 visitors attending were from industry. Next show: January 1971.

INTERSTOFF. Frankfurt. Nov. 18-21, 1969. This biannual clothing textile fair reportedly broke previous records for attendance, participation and sales. Approximately 18,000 trade visitors, 25% more than the previous event, visited the booths of 656 firms, or 89 more than last spring. The visitors represented 61 foreign nations. Although the fall INTERSTOFF usually displays only textile samples for the fall and winter season, this event, included a large grouping of spring and summer weight fabrics. In general, price levels were considered unchanged with the exception of high fashion materials which were higher priced. Jersey fabrics and imitation leathers received much attention. Next show, May 12-15.

August deadline announced for South African show of food, bottling equipment

The deadline for entering BAFEX, the Bottling and Food Equipment Exhibition in Cape Town, South Africa, is Aug. 1. The show is scheduled for the Cape Showgrounds Sept. 14-19.

Sponsored by the monthly journal *Food Industries of South Africa,* the exhibition is an extension of the Cape Wine Show which has been staged for several years.

BAFEX will be divided into two sections; the bottling division will include equipment and supplies for wineries, breweries, distilleries and soft drink facilities. The food section will show equipment for food and fish processing, canning and packaging, bakeries and butchers, candy making, and for freezing and refrigeration.

Some of the products which may be shown are: agitators, containers, batch cookers, boilers, carbonators, coffee grinders, conveyors, cutters, emulsifiers, granulators, labelers, mills, mixers, ovens, packagers, presses, sterilizers, valves, viners, water purifiers, weighing and wrapping machines.

For space applications, contact: South African Exhibition Organisers, Pty. Ltd., P.O. Box 3032, Cape Town.

Fourth music exhibition set for Milan Fair Grounds

Milan will host the Fourth International Music Exhibit, Sept. 6-13, at the Milan Fair Grounds. Manufacturers of musical instruments, accessories and supplies are eligible to mount displays.

The September 1969 exhibition coincided with a hi-fi show at the Milan-U.S. Trade Center and attracted 24,000 visitors. More than 150 firms participated or were represented in the show from 11 countries. Over 20 American firms also took part.

The products ranged from pianos and flutes, amplifiers and electronic sound components, to magazines and instrument strings.

Write: Secretariat Generale, SIM, Corso Buenos Aires 1, Milan.

Moscow show to feature film making, projecting items

A specialized exhibition of equipment for the production and showing of films—KINOFOTOTEKHNIKA—will be held in Moscow, Mar. 16-26, 1971.

Equipment which may be displayed includes professional cinematography equipment and apparatus such as cameras, camera optics, cranes and dollies, lighting equipment, sound recording systems, editors, printers, developers, restoration equipment, subtitle printing equipment and projection equipment; amateur photographic and cinematographic equipment includes lenses, developing materials and chemicals, cameras, projectors and measuring and controlling equipment.

Participation information in this event may be obtained from: USSR Chamber of Commerce, Department of Foreign Exhibitions, 6 Kuibyshev St., Moscow K-3, USSR.

Boating exhibition planned for Zurich in February

American boating and accessory firms are invited to enter the 18th Swiss Boat Show in Zurich, Feb. 6-14, 1971. The show is regarded as one of Switzerland's most important boating exhibitions.

Almost 500 boats were shown at the Feb. 21-Mar. 1, 1970, exhibition. Motor boats, sailing boats, rubber and row boats attracted the attention of 35,000 visitors. A total of 120 companies representing 14 countries mounted displays.

American exporters may find sales promising in the following areas: inboard and outboard motors; marine hardware; propellors; veneers; jet drives. Other products shown at the 1970 boating show include: marine paints, sailing clothes, water skis, life jackets, SCUBA equipment, boat covers, fiberglass and folding boats.

For further data, write: Leo Blattner, Stadthausquai 1, 80001 Zurich.

Milan will host safety, hygiene fair in autumn

The fifth annual exhibition of equipment for industrial safety and hygiene will be held Oct. 26-27 at the Milan fair grounds. The deadline for entering is September.

Products suitable for displaying include clothing, fireproofing materials, masks, measuring instruments for noxious gases, and other products and equipment for safety and hygiene.

At the previous exhibition staged last October, 14 U.S. firms were among the 88 exhibitors representing nine nations. A total of 822 registered visitors attended the event.

With the staging of the 1970 fair, the exhibition will officially become international, accepting direct participation by foreign manufacturers. For further information, contact: COMIS, Piazzale Cadorna 2, Milan.

Two Czechoslovak fairs open to international participation

Two commercial exhibitions in Czechoslovakia next October are open to foreign manufacturers.

PLAST-EX '70 will occur Oct. 2-11, and will cover topics such as: applications of plastic in engineering, construction, electronics, agriculture, and other industrial fields; and new processing developments, machinery and equipment.

INTERSERVICE 70 is an exhibition of machinery, equipment, supplies and systems for various aspects of cleanliness of the living environment. Displays will include equipment for street cleaning and snow removal; collection, concentration and disposal of waste materials; industrial and household cleaning and maintenance; and commercial laundries and dry cleaning.

Additional information is available on both shows from: Rapid-Czechoslovak Advertising Agency, Ing. Jan Pribyl, Director, Prague 1, Ulica 28. rijna 13.

INTERBAD '70 planned for October in Munich

An exhibition will accompany the Second International Congress for Water Sports Activities, INTERBAD '70, Oct. 15-18 in Munich. The event is sponsored in conjunction with the German Association for Water Sports and Activities.

Business firms making or supplying swimming pools, saunas and sporting equipment and apparatus are eligible to mount displays. The Congress is expected to draw 12,000-18,000 delegates from 34 nations.

Further information is available from: Deutsche Gesellschaft fuer das Badewesen e.V., 43 Essen, Porschkanzel 4, Federal Republic of Germany.

Furnishing, decorating fair to take place in Belgrade

The Belgrade Fairgrounds will be the site of an Oct. 23-Nov. 2 exhibition of furniture, home furnishings, and interior design. This exhibition, the eighth such event, is open for international participation.

Displays of furniture, furniture manufacturing machinery and equipment, building materials, household appliances, and articles for interior decorating will be featured.

American firms interested in exhibiting should write: Belgrade Fair, Bulevar Vojvode Misica 14, Belgrade, or contact any Yugoslav diplomatic or consular officer.

XUM

'Agricultural Year Project' aims to boost U.S. sales in Thailand

Series of exhibitions, single-sponsor shows, seminars/clinics and sample displays are parts of concentrated market effort

The key market today in Thailand is for agricultural machinery, equipment and supplies. Expenditures of $568 million, 20% of Thailand's total Government spending, are called for in the Thai Second National Economic and Social Development Plan (1967-71).

To promote American agricultural goods in this market, the U.S. Department of Commerce's Trade Center in Bangkok has scheduled several events for 1970. This series, including exhibitions, single-sponsor promotions, sales seminars/clinics and sample displays has been designated as "Agricultural Year Project".

The Project, a year of concentrated effort in the Thai market promoting American farming machines and equipment, is a new marketing concept in Thailand by Commerce.

Three exhibitions are currently firm. The first is the Up-Country Touring Exhibition to the Central Plain, Aug. 3-13, which will feature U.S. tractors and implements. The Trade Center will mount the vehicles and products on vans and transport them to the towns for on-the-spot demonstrations to local farmers, officials, equipment dealers and cooperative groups.

Six categories of equipment will be featured at the second scheduled show, set for the Bangkok Center Oct. 12-16. The equipment, identified by Commerce's Bureau of International Commerce is: pumps and irrigation equipment, including both gas and diesel engines; pesticide spraying equipment; poultry equipment; grain processing equipment; tractors; and other soil preparation and harvesting implements.

The third show will be participation in the Chiang Mai Winter Fair, Dec. 31-Jan. 6. This will mark the first Commerce entrance in a rural Thai fair. Held in the northern region, the Chiang Mai event will have a display of U.S. agricultural equipment and supplies. All-terrain vehicles will also be shown.

Another facet of the market saturation campaign will be the September staging of an agriculturally oriented exhibit at the Sample Display Center in Bangkok. Companies making small products for the farm and seeking agents or distributors in Thailand may exhibit their products. The sample display service is offered to U.S. firms not represented in Thailand.

In addition to the scheduled promotions, a target of 20 single-sponsor shows may be mounted at the Trade Center. Stressing agricultural products, the shows will be staged by individual companies when the Center's space is not in use for a regular full scale exhibition.

Several sales seminars/clinics for Bangkok distributors and up-country dealers who handle agricultural machinery and equipment will be conducted in the Trade Center by U.S. and local representatives of American companies.

Plans for additional agricultural promotional events are now in the planning stages for the spring and summer of 1971.

For further information on exhibiting in one or several of the events in the Agricultural Year Project, and for an Exhibitors Export Market Guide, IMIS-70-4, contact James Reilly, U.S. Department of Commerce, BIC-918, Washington, D.C. 20230 (202-967-5297), or any of the Department's 42 Field Offices.

Milan to host MACEF; late May deadline set

MACEF, an international exhibition of household goods and hardware, will take place Sept. 5-8 at the Milan Fair Grounds. Participation is open to U.S. suppliers and producers of housewares, hardware and giftware.

The annual show was last staged in September 1969, when 1,305 exhibitors from 26 nations mounted displays. The U.S. was represented by 21 firms. Registered attendance totaled 51,080.

This promotion is viewed as a good vehicle for American suppliers wishing to gain wider exposure in the Italian market.

An entry deadline of May 31 has been set. For further information contact the fair organizer: MACEF, Via Solferino 25, Milan, Italy.

Semi-annual trade fair set for Vienna in September

The Vienna International Fall Trade Fair, a semi-annual event alternating with a spring fair, will be held Sept. 6-13.

At the spring edition of the fair, mounted in March, 2,890 Austrian exhibitors represented national and foreign firms; at least 2,250 non-Austrian companies from 32 nations participated directly or through their Austrian affiliates. Between 10-15% of the 652,000 visitors were qualified buyers.

For additional information write: Vienna International Fall Trade Fair, Postfach 124, Vienna VII/62, Austria.

AGRICULTURAL AND TERRAIN VEHICLES have found markets in Thailand previously. The picture below is from the Commerce-sponsored exhibition at the Thailand International Trade Fair in December 1968. Agricultural and industrial equipment was displayed by 27 exhibitors for 41 U.S. manufacturers and suppliers.

Dramatic Korean growth opens new trade, investment prospects; U.S. is top non-Asian supplier

Analysts see 11% real growth in 1970 without overheating; imports likely to reach $2 billion, conservative estimate says

By MONROE E. ADERHOLD
Commercial Attache
U.S. Embassy, Seoul

Korea is undergoing dramatic changes. U.S. businessmen, whose thinking still harks back to the postwar economic chaos and devastation, should take a second look at Korea's burgeoning industrial complex and the opportunities which exist at present. Excluding Japan and Australia, in 1969 Korea was the largest market in the Far East for U.S. exports.

The dynamic and impressive growth of Korea's economy during the past decade is expected to continue into the foreseeable future. Exceeding most expectations, Korea's performance in 1969 compared to 1968 shows an overall GNP increase of 15.5% in real terms; total imports were $1.8 billion on a c.i.f. basis, representing a 25% increase; industrial production rose by 21%; exports climbed to $623 million on an f.o.b. basis, an increase of 37%; per capita income increased 13% and reached $226 in current values; and invisible trade receipts from services totaled $497 million. From all indications this momentum will continue but at growth trends perhaps slightly less than in the past.

Fundamental guidelines and policies for 1970 are expected to achieve a real growth rate of 11% without the consequences of an overheated expansion. These guidelines include support and incentives to encourage the establishment of new large scale industries; modernization and increased efficiency in production facilities related to export; and development of a capital goods industry. In addition, the government plans to encourage the utilization of indigenous raw materials and to increase productivity in the agricultural sector. Moreover, monetary and trade policies will be selective and implemented to control the internal money supply and improve Korea's balance-of-payments position. Taking into consideration Korea's past performance, vitality and determination, these objectives are reasonable and should be attained.

Industrial production has been increasing at an annual rate of at least 22% since 1965 and reached an all-time high during 1969. Korean manufacturers realize that continued expansion and modernization are essential to remain competitive in international markets and to meet the demands of an expanding domestic market. They are becoming increasingly aware of the necessity for cost and quality controls, product improvement, diversification and modern management.

Foreign trade to expand

Korea's import-export trade is expected to continue its growth pattern. Imports during 1970 will exceed the 1969 level of $1.8 billion and reach a conservative estimate of $2 billion. According to Korean Government estimates, approximately $1,245 million of Korea's import requirements will be covered by free foreign exchange (KFX); the balance will be financed by $530 million in foreign credits, PL-480, U.S. Government aid programs, and claims settlements from Japan.

The Japanese share of the Korean import market has been rising steadily since trade relations were normalized in December 1965. Japan is clearly the principal competitor for U.S. businessmen in Korea but Europeans are also showing greater interest. Japanese businessmen have been aggressively moving into the Korean economy, which they consider as being a traditional market. During 1969, Japanese firms supplied approximately 46% of Korea's commercial import requirements and concluded 28 agreements involving direct investments or licensing agreements. Japanese businessmen enjoy certain advantages in Korea, namely a familiarity with Korean business practices, proximity to the market, fast delivery, lower freight rates, after-sales servicing facilities, and flexibility in arranging financial terms which are usually backed by the Japanese Government. Irrespective of these advantages, U.S. firms compete effectively with most Japanese products throughout the world and there is no reason why the Korean market should be an exception.

The U.S. share of imports financed by KFX dropped to 18.5% in 1969 compared to about 21% in prior years. Since AID financed import programs are being rapidly phased out, commercial credits and KFX will be the primary sources of funds to cover Korea's future import requirements. The Korean market is becoming more sophisticated and competitive. Agent/principal relationships, trade practices and merchandising techniques which prevailed during the past decade, when AID programs were the principal source of foreign exchange, will be ineffective during the seventies. Korean manufacturers recognize the superiority of most U.S. machinery and equipment in terms of high productivity, reliability and durability.

U.S. technical representatives and salesmen should make more frequent calls on Korean plants to explain the merits of U.S. products. The effectiveness of representation in Korea should be appraised in terms of the present market situation. Aggressive marketing and promotion, after-sales servicing and competitive commercial financing will be needed to meet the changing requirements of the Korean economy. Flexibility in negotiating financial terms is one of the prime factors in practically every business transaction. U.S. businessmen should find a growing market provided they respond, as the Japanese are responding, to the needs of the Korean buyer. Moreover, the Korean Government is aware that over 50% of their exports go to the U.S. market and would like to see more imports from the United States.

The Korean Government has established a $1 billion export target for 1970 and is going all-out to increase foreign exchange receipts. Hard currency earning industries are receiving high priority in the allocation of KFX to import raw materials, operating supplies and equipment required for higher production levels, increasing plant efficiency and further expansion. Funds totaling $50 million for capital goods and $426 million for raw materials have been allocated for imports

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required by export-oriented industries. Trade opportunities exist for a broad range of U.S. products needed by the following industries which produce Korea's principal exports: plywood, textile and garment, wigs, leather products, ceramics, plastics, fishing, and light metal products. In particular, U.S. products related to packaging, quality control, lowering production costs and increasing efficiency will find receptive buyers.

Potential markets for a broad range of products are opening up as Korea modernizes public services, housing, transportation and agriculture. In growing demand are engineering services and heavy equipment required for road construction projects, harbor improvements, irrigation and water projects, and other infrastructure type projects. Under active consideration and near implementation are large-scale projects involving petro-chemical plants, ship construction, power plants and high-rise building construction. Completion of the superhighway between Seoul and Pusan in June 1970 will broaden the market for products related to the trucking and road transportation industry. Servicing equipment will be needed to meet the requirements of a growing automotive industry. Additional opportunities will develop when construction starts in 1970 on the Pohang one million-ton capacity steel mill being financed with Japanese claims settlement funds.

The Korean Government is presently negotiating with the IBRD for a $55 million loan to import diesel locomotives, special freight cars, railway maintenance equipment and communications facilities. A recently approved $7 million ADB loan will finance equipment required for construction of cold storage, ice making and quick freezing plants in four cities—including auxiliary equipment for transportation and marketing refrigerated food products. In addition, the Ministry of Transportation has entered into negotiations with the Asian Development Bank for a $7.5 million loan to import heavy loading and other material handling equipment required to modernize the Port of Pusan. U.S. companies have recently inaugurated services for handling containerized cargo at Pusan and Inchon and agreements have recently been concluded with three major oil companies for offshore oil exploration.

U.S. businessmen are inclined to concentrate their promotional efforts on the top-level executive offices which most Korean firms maintain in Seoul. Often overlooked are the potential markets which exist in the rapidly expanding industrial complexes located in Pusan, Inchon, Ulsan, Taejon and other areas in Korea. Engineers and plant managers in these areas are anxious to know more about product developments in the U.S. and complain about the lack of attention from U.S. technical representatives. Trade organizations such as the Korean Traders Association, the Federation of Korean Industries and, particularly, the Korea Chamber of Commerce and Industry, with offices in all major cities, can be helpful in providing leads and contacts for promoting the sale of U.S. products.

Credit to be tightened

Debt servicing requirements in 1970-71 will put some strain on Korea's foreign exchange resources and credit facilities extended to Korean buyers will be more closely scrutinized. Capital equipment financed with short-term loans of 1 to 3 year maturities will be discouraged and preferential consideration will be given for imports financed with term loans in excess of 12 years. Cash loans from abroad to finance local currency costs will be discouraged.

Loans from domestic banks for equipment and raw material imports required to manufacture export commodities are made at government supported concessional rates of 6%. However, the effective interest rates for Commercial bank loans and overdrafts to finance imports not related to the production of exports are about 30%. For this reason, importers and agents for U.S. products are discouraged from maintaining inventories of spare parts or models of new equipment for display purposes. Importers and end-users are insisting on D/A terms of 180 days for raw materials and operating supplies, as well as extended credit facilities for capital equipment imports which can be financed from abroad at lower interest rates. Extension of credit facilities is one of the key elements in doing business in Korea. Provisions exist under Korean customs regulations which permit inventories of imported products to be maintained in privately owned bonded warehouses. One aggressive firm dealing in heavy earthmoving equipment has successfully established a bonded warehouse to supply spare parts requirements.

The Government is encouraging foreign participation in Korea's industrial development. Foreign investors will find already established in Seoul the American Chamber of Commerce, three large international U.S. banks, branches of U.S. auditing firms and correspondents of U.S. legal firms. A total of approximately $152 million has been approved for investments in 178 different projects. U.S. investments in 83 projects total $90 million while Japan, the second largest foreign investor, has about $49 million committed for investments in 77 projects.

Industrial estates have been established in several major cities and plant sites are available in a free trade zone located at the Port of Masan in southern Korea. Preferential consideration is given to new industries which will be able to develop export markets or replace imports. Potential investors are faced with many problems, namely delays in obtaining necessary approvals from various ministries, a complicated tax structure and perplexing customs regulations. Despite these problems, which the Government realizes and is trying to correct, the outlook for foreign investors is optimistic. The Korean investment climate, on its record and prospects, is among the best in Asia.

The successful U.S. businessman in Korea is the one who is adjusting to the changes taking place in the economy. He knows that he stands an excellent chance of increasing his sales in this market.

An Economic Trends Report on Korea, and a story on growing interest in U.S. goods in the nation's leading port of Pusan follow.

REPRESENTING A JOINT VENTURE between American Airlines and the government-owned Korea Travel Service, the Chosun Hotel opened Mar. 17.

Korea sets growth record

Spectacular real GNP expansion of 15.5% in 1969 exceeded previous highs by over 2%

Korea's 15.5% real growth rate in 1969 set a new record, exceeding even the 13.4% rate of 1966 and the 13.3% rate of 1968, according to the semi-annual Economic Trends Report from the U.S. Embassy in Seoul. Manufacturing increased by 22%, while mining gained 2.3%. About one-sixth of the real growth in 1969 was attributable to last year's excellent rice crop. The agricultural sector grew by 11.5% in 1969, as compared to 1.1% the previous year, in constant prices. The rice crop should satisfy Korean consumption in 1970, but substantial imports (600,000 metric tons) are necessary to replenish stockpiles, provide a brake on inflationary pressures, and possibly provide some Won resources for political purposes. As in 1969, large imports of wheat are also expected in 1970.

U.S. is main market

The U.S. share of Korea's 1970 target has recently been revised upward to $580 million (58% of the total), of which textile exports would comprise at least $250 million. The concentration of Korea's exports in range of products and number of markets is of some concern.

While Korea has made commendable strides in exporting light manufactures, there is concentration in a few areas, e.g., rubber footwear, plywood, transistors, and ready-to-wear sweaters, shirts and suits. This product concentration makes Korea very vulnerable to fluctuations in individual markets for these products, particularly in its major U.S. market. Unfavorable developments such as possible U.S. restrictions on textile and electronics imports, or a general slowing of trade expansion with major markets, could pose serious difficulties for Korea in meeting her ambitious export targets.

The average monthly wage of "regular workers" in manufacturing in 1968 was Won 9150, according to Korea Development Bank calculations. In 1969, this figure increased 23% to Won 11,200. Korea's formerly acquiescent unions are becoming somewhat more active in organizing workers and in industrial relations generally, but there has been no increase in strikes or other forms of agitation to advance their demands. Although unions appear to be enjoying somewhat greater influence on Government policy, the Government is still sensitive to the cost of labor. If wage trends continue upward as sharply as in 1968-69, the competitive position of Korean exports could be adversely affected; Korea is especially concerned with Singapore in this regard. Labor is not expected to be a constraint to the achievement of Korea's goals in 1970; however, as in the past, U.S. investors may have to train certain types of skilled labor and managers. Legislation recently passed in the National Assembly provides for arbitration by the Office of Labor Affairs of labor disputes involving foreign firms. This law addresses a problem which has been sensitive for some foreign businesses in Korea.

The recent growth of Japanese direct investment reflects a conscious Korean policy of administrative encouragement of her neighbor, as well as an increasing tendency for Japanese businessmen to look for opportunities in Asia outside Japan. For the second straight year, Japanese direct investment (in terms of approvals) exceeded American. Approved Japanese direct investments included such large projects as a polyester filament plant and two electronics plants. Actual arrivals of capital lag behind approvals and amounted to $12.8 million in 1969, of which $7.6 million was American and $4.5 million Japanese.

Also significant was the December signing of an agreement whereby Japan agreed to supply $124 million in credits for a new steel mill at Pohang. The construction of this plant, with a planned annual production capacity of 1.03 million tons of steel, will commence in April 1970 and is scheduled for completion by July 1973.

Japanese direct investment in Korea will undoubtedly be further encouraged by the signing of a taxation treaty on Mar. 3, 1970. The treaty, now pending ratification by both governments, is expected to alleviate the problem of double taxation. Korea is also considering taxation treaties with Thailand and West Germany.

Increased Japanese direct investment activities in the country are likely to encourage a Korean propensity to buy Japanese products; this should prove true despite the current unfavorable (to Korea) trade balance with Japan.

Korean efforts to curb price rises by

KOREA'S DYNAMIC ECONOMIC GROWTH is reflected in the modernization of its cities. This elevated highway runs through the heart of Seoul; others are currently being constructed or are in the planning stages.

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temporarily increasing imports usually favor Japanese suppliers because of lower prices and faster delivery. In addition, on Jan. 26 a measure was announced by which Korea's "prior permit" system for importing over 2,300 machinery items was eased for "countries enjoying favorable trade" with Korea (i.e., Japan).

While generally conceding the quality of American products, Korean businessmen cite difficulties in obtaining favorable financing, spare parts, and adequate service facilities. Japanese businessmen are far more aggressive in all these areas. Efforts of U.S. firms should be improved along these lines.

Demand for petroleum products continues to increase and various measures for increasing refining capacity, presently 175,000 bbl/day, are under consideration. The Union Oil-Kyongin topping plant in Inchon is expected to be completed by the end of 1970. Although Korea is at present completely dependent on imports for crude oil requirements, three concessions for offshore petroleum exploration and drilling rights have been assigned (to Gulf, Shell and Caltex). Preliminary seismic surveys completed by Gulf last November are still being evaluated.

Electrical power generating capacity increased substantially during 1969 with the completion of two power plants. An even larger increase in generating capacity is expected to become operational in 1970 and other plants, including two financed by AID, are on line for 1971. This year construction is scheduled to begin on Korea's first nuclear power plant, at Ko-ri, in which Westinghouse is participating.

Large U.S. investments

Among the large new investments planned by American firms are an ethyl alcohol plant (National Distillers & Chemical) and a lubricating oil plant (Gulf Oil). A carbon black plant (Continental Carbon) went into operation late last year, and Gulf's naphtha cracking plant will be dedicated soon.

Additional foreign investments in the petrochemical industry are expected in 1970-71, including an aromatics extraction plant (benzene, toluene, and xylene), and other plants at the Ulsan complex to produce polyethylene, vinyl chloride monomer, acrylonitrile, caprolactum and acetaldehyde.

Other high priority areas of possible interest for investment or sales are: seaport improvement (including warehouse construction) and ship construction; highway construction (completion of 840 km of new expressways planned by 1973); railroad locomotives and rolling stock; electricity supply and distribution equipment; and agricultural equipment (for which a $10 million AID loan is under consideration).

KOREA EXPORTS SUBSTANTIAL QUANTITIES of light manufactures such as plywood, rubber footwear, transistors and ready-to-wear clothing. The Tongmyong Plywood Co. in Pusan is a big exporter of plywood.

During the past year, a number of measures were taken to improve an already favorable investment climate. An amendment to the tax law provides for exemption from income tax for foreign managers and engineers/technicians of firms established under the Foreign Capital Inducement Law. In an effort to cut red tape, all administrative procedures in connection with foreign investment have been centralized in the Office of Investment Promotion.

Official statistics indicate that the money supply increased very substantially last year—by Won 68 billion, or 46% over the 1968 year-end figure. Most of this increase occurred in September, October and November and was politically motivated. According to official figures, the reserve base at the end of December was Won 216 billion, which exceeded the IMF year-end stand-by agreement target by about 8%.

Expansionary monetary policies have been accompanied by continued price rises. According to official statistics, wholesale prices rose 6.8% in 1969, as compared to 8.1% the previous year. Furthermore, the Seoul consumer price level is reported to have advanced 10.1% in 1969; this compares to an increase of 11.1% in 1968.

The balance of payments deficits on current account amounted to $548 million in 1969, according to official estimates. The 1968 deficit was $440 million. The sizeable increase ($162 million) in reserves was mainly due to the large inflow of foreign capital.

Korea's FOB exports in 1969 amounted to $623 million, an exceptional $168 million (36.7%) increase over 1968. This compares closely with the compound annual growth rate of 37.5% during 1966-1968. Imports, on the other hand, increased by $361 million (25%) to $1,824 million (CIF basis). The 1969 trade deficit is estimated to have slightly exceeded $1 billion.

Receipts from invisible trade amounted to $497 million in 1969, while payments were $166 million, for a net gain of $331 million. Some $179 million of invisible trade receipts, or about 36%, represented Korean earnings from Vietnam. There were also substantial foreign exchange earnings from the U.S. armed forces stationed in Korea.

The growth of Korea's industrial sector has been financed with foreign commercial capital to an unusual degree. Foreign loan inflows in 1969 (over one year maturity) are estimated to have been about $700 million; this compares to the official figure of $477 million during the previous year. New debt approved in 1969 is estimated to have been $850 million.

Recognizing the dangers of an unchecked expansionary policy, and with President Park's third-term referendum safely won, the Government took a number of steps in November intended to dampen the inflationary trend. Most important was a downward adjustment of the exchange rate of the Won to a new parity of 305.10:1 with the dollar. This new rate amounted to a 4.5% devaluation.

While the devaluation marked a step in the right direction, it clearly represented a compromise in Government circles, since it was inadequate to bridge the disparity between Korea's rate of infla-

tion and that in her principal markets. At the same time, there was no reduction of the complex network of export subsidies, the effect of which is estimated to average about Won 100 per dollar of export sales. The devaluation did not increase the price competitiveness of Korean exports, but—more important for many Korean businessmen, onerously high Won costs for foreign debt servicing were precluded.

Other anti-inflationary measures taken in November and December included restrictions on foreign cash loan utilization and on new loans by banking institutions; increased efforts to collect overdue loans; and some effort to economize on Government spending. Several longer-range measures were also adopted, among which the most important were: expansion of Government stocks of various commodities and selective encouragement of imports, both for price control purposes; further taxation of domestic consumption, especially of "luxury" goods; and the formation of a high level financial stabilization committee.

One key facet of Korean development strategy—maintaining interest rates at previous high levels—was unchanged. The commercial bank lending rate continues at 24.0%. Meanwhile, the unofficial money market (curb market), which was said to have had a prevailing monthly interest rate of 3.5-4% in December, is now reported to have reached 5-7% per month.

Official pronouncements of late indicate some ambiguity as to future economic policy. President Park's 1970 budget message stressed stability with balanced Government financing, stable prices, and an improved balance of payments. The Government has promised to conform to the International Monetary Fund's stabilization guidelines and is negotiating a new standby agreement.

At the same time, efforts taken to date to check inflationary trends appear inadequate. In particular, the reliability of commodity stockpiling as an anti-inflationary measure is questionable. Also, the anti-inflationary impact of official import liberalization is open to question since a growing number of Government measures in fact restrict imports. Rate increases in utilities, including rail fares, introduced in January, will provide added price-push inflationary pressure. A major devaluation of the Won in 1970 is not a likely prospect, although small adjustments will continue.

Some Korean businessmen blame their shortages of operating funds on last fall's restrictive measures. Partly in response to these complaints, the Government has voiced hopes to ease credit restrictions, particularly on bank loan activity, in March or April. An effective stabilization program would involve adopting more restrictive measures to curb monetary expansion, including a lower level of foreign borrowing, and some lowering of the rate of investment. Spring and summer of 1970 would appear to be a good time for the adoption of austerity measures since pressures for more liberal credit and monetary policies are expected to increase by the end of 1970, as the time for national elections nears.

Brightest prospects

The following commodity categories appear especially promising for U.S. exporters: non-electric machinery; electric machinery; apparatus and appliances (particularly air conditioning, refrigeration, materials handling, packaging equipment, generators, compressors); pulp; chemical materials and products; paper and paper products; textile yarn; sanitary plumbing, heating, and lighting fixtures; and professional scientific controlling instruments.

Growth of 11% likely

Assuming a partial implementation of the stabilization program and favorable developments in export growth, import substitution, and rice production, a reasonable expectation for GNP growth in real terms for 1970 would be 11%. According to official estimates, gross fixed investment will increase 14.0% from Won 550 billion (1969) to Won 627 billion. This is a much lower rate of increase than the two previous years (36.7% and 52.4%, respectively).

The one billion dollar export target is widely conceded to be difficult to achieve and, in any case, is not calculated on a customs clearance basis. A figure of $872 million (customs clearance) would be highly commendable (40% growth) and, judging from past performance, can probably be attained. In view of the concentration of Korea's exports in import intensive industries, it is difficult to predict that the trade gap will decline in 1970. An import level of about $2050 million (FOB) is expected, if growth of imports is held to about the same level as 1969. The resulting trade deficit would be $1178 million, an increase slightly larger in absolute terms, but smaller in percentage terms, than 1969.

Even with favorable assumptions concerning the trade deficit, Vietnam earnings are expected to decline in 1970, with the result that the surplus on invisibles account is not expected to increase. The need for foreign financing is likely to increase further, and is expected to reach $800-900 million. Clearly, foreign borrowing of this magnitude to finance a large and growing balance of payments deficit cannot continue for more than another year or two. The growing indebtedness and debt service burden is bound to raise questions concerning Korea's ability to repay past obligations. Debt servicing for loans of over one year maturity will increase from $146 million in 1969 to approximately $300 million in 1970. According to published reports, Korea may refinance some of 1970's obligations.

Stated succinctly, Korea is faced with the alternative of taking stringent measures to increase domestic savings, even though present performance is quite commendable. Official sources forecast growth of domestic savings from an estimated Won 371 billion in 1969 (18.3% of GNP) to Won 466 billion (18.7% of GNP) in 1970. Although the 1970 figure represents a 25% increase over the previous year, 1969 domestic savings were 57% higher than 1968. In 1970-71 Korea will be helped by the fact that a large "pipeline" of unused foreign loan funds has been created, but together with expected new debt take-on, this will increase debt servicing problems.

Concerning the longer range, the Korean Government is now in the process of formulating the Third Five-Year Plan for the period 1972-1976. The main thrust of the Third Plan will be a rapid rise in national income led again by a tremendous drive for exports, which are forecast to reach about $3.3 billion in 1976. The Third Plan will aim at maintaining an annual real GNP growth rate of 8.5%. More attention will be paid to agriculture in the Third Plan.

U.S. share declining

Korean imports from the United States increased by 17% in 1969, but the U.S. share of Korea's total imports declined. Despite a 12% rise in U.S. commercial exports to Korea, the market share in 1969 declined by 2.4%. Korea's other major supplier, Japan, increased commercial exports by 22.4%, although its market share decreased by about 1%, to 45.7%.

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PUSAN'S NEIGHBORING INDUSTRIES in Korea's southeastern quadrant include the Chinhae Chemical Co., (l.) a U.S.-Korean joint venture with an annual capacity of 180,000 tons of fertilizer, and the Korea Oil Corp. refinery at Ulsan, a joint venture of Gulf Oil and the Korean Government.

U.S. opens commercial branch office in Pusan

Pusan, Korea's largest port city, is located in the country's southeast quadrant, a rapidly growing industrial area stretching from Masan and Chinhae to the west to the relatively new industrial city of Ulsan to the north, where a petrochemical complex is under construction.

In recognition of the increasing U.S. trade and investment opportunities presented by the area, the U.S. Embassy's Counselor for Commercial Affairs in Seoul, with the cooperation of the Pusan Chamber of Commerce and Industry, has established a branch office in the Chamber building. The office will be staffed by a U.S. Commercial Officer on the second Monday and Tuesday of each month.

At the same time, the Pusan Chamber has requested U.S. product brochures and other descriptive material for its commercial reference library. U.S. businessmen interested in taking advantage of this opportunity to promote sales in Korea should send appropriate material to the Commercial Attache, U.S. Embassy, Seoul, Korea, marked "For Pusan Chamber."

PUSAN'S GROWTH is reflected in ships being built for export at Korea Shipbuilding Corp. (l.), and Chamber of Commerce official S. E. Wang accepting first volumes for the Chamber's U.S. commercial reference library from Nicholas S. Lakas, U.S. Counselor for Commercial Affairs in Seoul.

Swiss continue fast pace

Market enhanced by implementation of full Kennedy Round tariff cuts ahead of time

By ROBERT C. HUFFMAN
Commercial Attache,
U.S. Embassy, Bern

The Swiss economy in 1969 entered an expansionary phase spurred on by the continued upswing in world trade, a higher rate of investment, increased exports, and, reflecting the high level of domestic activity and pronounced inflationary tendencies, a sharp rise in imports. Swiss exports rose from a little over $4 billion in 1968 to $4.6 billion last year, or an increase of 15.3%. Similarly, imports into Switzerland soared upward by 17%, with purchases in 1969 totalling $5.2 billion compared with $4.5 billion in the previous year. The principal sources of import expansion were found in industrial raw and semifinished materials and consumer goods.

Economy finished fast

The Swiss GNP advanced 5.2% in real terms in 1969. By the final quarter of last year, the economy's rate of advance accelerated to the extent that GNP and private consumption recorded a rate of increase 30% above the average gain for the year. A real growth of 4% is expected in 1970. The export industries, which progressed at double the pace of the domestic economy, had a sharp effect on investment in new plants, capital equipment, and in stocks. Directly related to U.S. export interests is the 8% increase in investment spending expected this year.

Private and public consumption showed an annual increase of 4.2% last year and is expected to rise to about 5% in 1970. This year the aggregate demand, including the export component, should follow the expansion in the economy and rise by at least 5%. Higher personal incomes will continue to generate a strong demand for a wide variety of consumer goods ranging from durables to food products. All indications point to a substantial rise in consumer goods imports this year.

In order to contain the overheating now apparent in the economy, the Government announced in February the following anti-inflationary measures: 1) restrictions on bank credit; 2) advance Kennedy Round tariff reductions; 3) reduction of export guarantee credits by 5%; 4) more restrictive installment purchasing; 5) budgetary actions; 6) export deposits; 7) profits of Federal Mint; 8) restrictions on the use of foreign workers.

Of these measures, the Kennedy Round tariff reductions and stabilization of foreign workers will have favorable implications for U.S. exports. The Government implemented in full the tariff concessions granted during the Kennedy Round, effective Mar. 1, 1970. The measure effects about 70% of all tariff items and could result in stimulating an increase of $25 million in imports during this year.

The other measure is expected to stabilize the number of foreign workers in Switzerland in the short run and lead to a gradual reduction in the longer run. At present, about 75,000 to 85,000 foreign workers leave Switzerland annually, and the new measure provides that only 40,000 will be replaced yearly. As a result of this change, Swiss industry will be compelled to rationalize if it is to maintain its competitive position in world trade, and a substantial input of labor-saving machinery and equipment will be required in order to increase the productivity of a smaller labor force. An excellent opportunity thus arises for U.S. export sales of a wide variety of capital equipment.

U.S. exports show increase

Imports last year from the United States amounted to $447.1 million, representing a 10.7% increase over the $403.9 million worth of goods sold in the Swiss market in 1968. Although remaining as Switzerland's fourth largest supplier, the slower rate of increase resulted in a decline in the U.S. share of the market from 8.9% in 1968 to 8.5% last year. This was due in a large measure to the sharp decline in Swiss purchases of U.S. aircraft, communications equipment, silver, and cotton. Also, the large percentage increases in imports from the United Kingdom and Austria resulted in an advance in their individual shares at the expense of the four principal suppliers—Germany, France, Italy, and the United States. However, the broad distribution of imports by country of origin in 1969 remained basically unchanged.

Last year the highest increases in imports from the United States were recorded in the following product categories: electronic tubes, components and measuring equipment; tobacco; organic chemicals; business machinery, including computers; art goods; copper goods; and, pumps and compressors.

With an excellent location in Europe, Switzerland represents a small, but attractive and highly developed market for U.S. products. Flexible terms, quality, high technological value and durability of the products rank among the chief marketing factors. This may explain why foreign products are represented either by competent local agents or by subsidiaries who ensure prompt after-sales service.

Excellent opportunities exist for electronic equipment and components, a category in which the U.S. achieved a significant increase of 55% in 1969. In their efforts to rationalize, automate, and to bring their products up-to-date, most large to medium-size Swiss industries have set up their own electronic departments, designing processes and automatic controls. The chemical and pharmaceutical industries are the prime customers for electronic controls, followed by Switzerland's manufacturers of precision machinery.

Attempts are now being made to produce components and integrated circuits in Switzerland. Research is conducted systematically by several highly-specialized companies to develop electronic controls for their machinery and equipment. Even though the competition from European and Japanese manufacturers is keen, such signs point to a growing market for U.S. electronic production equipment, components, and sophisticated laboratory and research instruments. In this as well as other product categories, the successful U.S. exporter will have to adapt his marketing effort and often tailor his equipment to local conditions.

High potential for computers

Electronic data processing (EDP) is another field in which the United States has a sizable share of the Swiss market, not yet diminished by the growing competition from European and Japanese makes. Whereas over 1,300 computers were in operation early in 1970 in Switzerland, reasonable estimates place the number of computers by 1974 at 5,000. Sales of U.S. EDP equipment to Switzerland should increase annually by at least 25% in the next five years. A recent survey conducted under the Commerce Department's Export Market Identification

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Program confirmed a high sales potential in Switzerland for a variety of EDP equipment, peripherals and software of U.S. origin.

In another field, the modernization of hospital facilities stimulates the demand for medical electronics. U.S. manufacturers have a good chance of supplying monitoring equipment and sophisticated medical instruments. An unusual interest has been generated in Switzerland for lasers and optical electronics. Aside from research, lasers are used in particular for industrial welding, and application to alignment and jewel bearing cutting.

In the sector of consumer electronics, good opportunities exist for U.S. advanced training aids, novelty audio-visual equipment, as well as a variety of sophisticated devices ranging from hi-fi and audio-equipment to marine instruments.

While Switzerland relies on its own production and on supplies from its neighbors to cover its needs of machine tools, a certain demand exists for U.S. advanced machinery of high capacity, mostly with numerical controls, which other countries are unable to offer.

In view of the expansion of Swiss industries, the sales of U.S. pumps and compressors should continue to grow this year, especially for chemical, pharmaceutical and utility applications.

Pollution concern

As in most industrialized countries, a growing environment awareness is taking place in Switzerland. Some five billion dollars will be spent in this decade for the construction of water treatment plants and sewage systems. Other efforts will be expended in the direction of waste and air pollution control. Noise abatement problems resulting from industrial plants, urban life and airports constitute other topics of discussion.

The urgent need for a solution to the environment problem and the consciousness of local authorities to tackle it indicate very good prospects for: U.S. advanced equipment and instruments for the biological, chemical, thermal, and electrical treatment of sewage and waste; sophisticated air pollution control apparatus; advanced filters and equipment for the disposal of special industrial wastes; and, novelty noise abatement systems.

Although the demand is unusually high in the construction industry, credit restrictions may put a brake on investments in new machinery. However, heavy duty construction machinery is a field in which the United States holds a comfortable position on the Swiss market, and in which short-term prospects are good for excavators, bulldozers, dumpers, graders and loaders.

Many industries are particularly affected by the dearth of personnel. They endeavor to rationalize by adopting new methods and automated processes. This situation creates very good opportunities for U.S. food processing and packaging machinery and advanced materials handling equipment. In the hotel and institutional industries, opportunities exist for U.S. meat processing and packaging equipment, self-service counter and food service systems, cafeteria conveyors and caddies, automatic food and beverage dispensers and merchandisers, novelty dishes and trays, quality cutlery and glassware, upper priced linen, and playground equipment.

In the raw and semifinished materials sector the Swiss chemical industry, whose exports jumped by 21.6% in 1969, will continue to rely on U.S. supplies of chemicals and plastics. Swiss imports from the United States in these two categories increased by nearly 20% over the last two years. Prospects are also excellent for U.S. sales of tobacco, photographic films and chemicals, rice, pulp, and paper products, copper goods, rubber and man-made fibers.

Among the trade opportunities recently processed by the Embassy, the following product categories also reflect some fine sales prospects for U.S. products this year: Household cleaning preparations; toiletries, paints and varnishes; service industry machinery; power and precision tools; novelty housewares and hardware items; photographic equipment; textiles; apparel; leather goods; timber and veneer; office supplies; swimming pool equipment; sporting goods and wear; canned and frozen foods, and fresh vegetables and fruit.

Opportunities for U.S. exporters are also very good this year for specialty steels because of the generally tight supply position of the principal competing countries in Europe.

Because of its central location, Switzerland attracts businessmen from all over Europe and elsewhere to its vertical fairs, thus affording exhibitors international exposure. Switzerland's trade exhibits also offer a unique opportunity to survey the local market by reviewing a well-planned assemblage of quality products or, both for new-to-market and old-established firms, to achieve direct sales.

The following trade exhibits will be held in the coming months in Switzerland: May 28-June 1, 1970, DIDACTA, European Educational Materials Fair, Basel; Sept. 6-8, 1970, Interferex, International Trade Fair for Hardware, Tools, Household Goods, Basel; Sept. 26-Oct. 4, 1970, HOLZ 70, International Woodworking Fair, Basel; Sept. 12-27, 1970, Swiss Autumn Fair, Comptoir Suisse, Lausanne; Aug. 26-30, 1970, Fera, Swiss Radio, Television and Audio Show, Zurich; Oct. 29-Nov. 3, 1970, 5th International Hydraulics and Pneumatics Fair, Zurich; Jan. 28-Feb. 2, 1971, MICRO-TECNIC, International Trade Fair for High Precision Techniques, Dimensional Measurement and Control, Zurich; Mar. 9-13, 1971, INEL, Industrial Electronics Fair, Basel, including an advanced medical instruments exhibit.

For information concerning the above exhibits **write:** Swiss Industries Fair, 4000 Basel 21; ZUSPA, Thurgauerstrasse 7, 8050 Zurich; or Comptoir Suisse, 1000 Lausanne.

U.S. exhibitions organized by the Department of Commerce within international trade fairs in neighboring countries, as well as U.S. Trade Center Shows in Europe, constitute other good vehicles for entering the Swiss market, since such specialized exhibits are regularly visited by an increasing number of Swiss potential agents, importers, and manufacturing licensees.

Recent Swiss foreign trade data underscores the U.S. export potential for 1970. In the January-February period of this year, merchandise imports rose by 30% compared with the same period of 1969. Stimulated by the delivery of a nuclear reactor, imports from the United States in the first two months rose by 74%, or 30% excluding the reactor.

Given a continuation of expansionary forces in the Swiss economy, there is every likelihood that imports this year will show a substantial increase over those for 1969, for both capital and a wide variety of consumer goods. Consequently, if the U.S. exporter uses more aggressive salesmanship and a willingness to compete in the price area, particularly in the consumer goods sector, the U.S. share of this highly industrialized market should register a substantial increase over 1969.

East Europe service

A market intelligence service on East Europe is being offered by the DMS-International subsidiary of DMS Inc., a management information unit of McGraw-Hill Publications Co. The service covers COMECON (Council for Mutual Economic Assistance) as well as the individual markets of the Soviet Union, East Germany, Czechoslovakia, Poland, Hungary, Rumania and Bulgaria.

Write: DMS Inc., 100 Northfield Street, Greenwich, Conn. 06830 (phone: 203-661-7800).

Israeli surge continues

Heavy Government spending has kept economy in high gear since June '67 war

Economic prosperity remained the order of the day as Israel successfully completed its second boom year. According to the Economic Trends Report from the U.S. Embassy in Tel Aviv, total output of the economy in fixed prices following the Six-Day War of June 1967, rose sharply both in 1968 and 1969 after having barely progressed in the recession years of 1966 and 1967.

The predominant initiating force behind the boom was a massive increase in Government expenditures, first to pay for the war and later to rebuild depleted stocks, to eliminate unemployment and to expand defense industries. The influence of heavy Government military expenditures has remained an important factor on the economic scene but has been overshadowed more recently by the growth of expenditures for investment and private consumption. Private consumption per capita has increased about 8% in each of the last two years.

Price of prosperity

The post-war prosperity and defense requirements exacted an economic price in the form of a rapid deterioration in Israel's balance of payments situation, and specifically a running down of Israel's foreign currency reserves. The loss of reserves was not important at first because stocks of foreign currency had been swollen by massive imports of foreign capital during and after the Middle East crisis of 1967, but now the balance of payments deficit, and all that follows from it, is considered the most critical economic problem of the next few years.

The United States is not only Israel's largest supplier and purchaser of goods and services, but also Israel's most important source of capital, principally in the form of private loans and gifts. There is, therefore, a wide scope for American traders and investors who are interested in Israel.

U.S. exporters in 1969 reversed the downward trend in the U.S. share of the market which began in 1967. U.S. exports to Israel in 1969 rose 28% to $310 million, based on Israeli data. This is equivalent to 24% of the market, compared with 22% in 1968. Exports should expand again in 1970, but not as fast as in 1969.

The Government is forecasting an overall 1970 rise of about 10% in commodity purchases by Israel from all sources, to $1.4 billion. Raw material purchases, other than fuel and diamonds, are expected to rise by about 12% to $685 million; investment goods, excluding $70 million in non-military ships and planes, by 6% to $265 million; and consumer goods by 11% to $155 million.

Competition in the Israeli market from the Common Market countries is likely to be intensified in the long run upon implementation of the five-year preferential trade agreement initialed on Feb. 13. Under this agreement, certain yet unspecified industrial products from the Common Market will receive preferential treatment in the Israeli market, ranging from 5 to 25%. The agreement is still subject to final approval by both sides, and it is not yet clear when it will go into effect.

The impact on U.S. exports in 1970, however, is likely to be small for two reasons. First, the pact will not go into effect until after mid-year, and second, it will take five years before the agreement is fully implemented. Sufficient details are not yet available to assess the long-range impact.

Israel is actively seeking foreign investment to expand its capital inflows in the short run and its exports in the long run. The general lines of investment policy will remain generally unchanged. A new category called "recognized enterprise" has been established under the Law for the Encouragement of Capital Investment. This status will be granted to plants which replace imports at a reasonable cost or which manufacture for national defense.

The category "approved enterprises" remains unchanged, but stricter economic criteria will be applied to prevent pressure on scarce factors of production. The criteria include: capacity to export at a reasonable dollar value-added price; sufficient self-financing; assurances of the receipt of continuous and modern know-how; and the existence of external marketing connections. Discussions will begin some time in 1970 on the renewal of the Law for the Encouragement of Capital Investment.

Particular encouragement will be given to investment in enterprises with good long-run profit potentials, including the metal and chemical branches and science-based industries. Priority will continue to be given to enterprises located in development areas.

Demand for foreign capital is likely to be very strong for two reasons. First, money market conditions in Israel are likely to remain tight in 1970, and interest rates will probably remain above those in the United States. Second, commercial banks are now permitted to take foreign loans with a view to increasing Israel's total capital inflow. The Government will, of course, continue to seek increased sales of Development Bonds in the American market.

Domestic economic expansion is Israel in 1969 was somewhat stronger than expected. The Gross National Product (GNP) rose approximately 12% in fixed prices. Total GNP in current prices in 1969 was $4.7 billion, or $1,610 per capita. The anticipated reduction in the rate of growth of Government consumption did not materialize, mainly because of increased defense expenditures. Government consumption rose at about the same rate as in 1968.

The growth of investment and private consumption also exceeded expectations. These increases in internal demand were supplied by higher domestic output, increased imports and a siphoning off of some goods from the export to the home market.

Rapid economic pace

Productivity was up smartly, as were profits and the cash flow of firms. Employment received another boost, and the number of persons not working fell to a rock bottom level. The tight labor situation required the employment of even more Arab workers from the Occupied Areas, which now number roughly 25,000. Despite the full employment conditions, prices remained relatively stable. Price pressures, however, were more pronounced as the year drew to a close.

Developments on the external side were not as positive. Imports of goods and services rose faster than anticipated. Receipts from exports were helped by higher prices, but the expected volume of shipments was not realized. The current account deficit of the balance of payments therefore rose by over a quarter to $930 million. Net capital imports in-

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creased only slightly to $715 million, leaving $215 million of the deficit to be covered by reserves. Because of changes in other capital account items, gross free reserves of the Bank of Israel actually fell slightly more, or by approximately $230 million. Gross free reserves, which include liabilities, totaled $435 million at the end of 1969.

There were no significant changes in economic policy in 1969. Fiscal policy continued to exert a strong expansionary influence. The wage freeze policy survived intact, but in some economic branches wage drift significantly exceeded the 1969 annual average increase of approximately 5%. Monetary policy had a dual function—the financing of $343 million of the Government's budget deficit and the maintenance of control of internal monetary demand.

The tight monetary policy initiated in May 1968 was thus continued and was reflected in an increase in monetary transactions outside of the banking system and a rise in interest rates. There was also an increase in the velocity of circulation of money.

A number of interim measures were adopted in late 1969, pending the development of the newly elected Government's comprehensive short-term economic stabilization program. In anticipation of this program, the public apparently thought it prudent to insulate itself against possible price changes, especially those resulting from anticipated increases in indirect taxes. There was also speculation over possible devaluation.

According to the official Government assessment for 1969, the foregoing expectations resulted in an increase in imports and in expenditures for consumption, especially in durable consumer goods like TV sets and automobiles.

In an attempt to counter these trends, the Bank of Israel in November raised interest rates on short-term loans for the second time in 1969 and announced a voluntary program with local banks to reduce the level of import financing. This voluntary program was transferred in early 1970 to a British-style import deposit scheme. This scheme requires importers to deposit with the Bank of Israel for six months half of the value of imported goods which have a customs duty of 30% or more. It has the effect of discouraging speculation and dampening import demand by raising importers' costs.

The import deposits scheme is unlikely to affect U.S. exports significantly. This is so because U.S. sales are generally confined to food, raw materials, products for further processing by local factories and investment goods, which, generally speaking, are not covered by the scheme. The scheme will have an impact on consumer goods, especially consumer durables such as automobiles. These goods, however, represent only a small segment of U.S. exports to Israel.

Best U.S. prospects

Specific product categories of interest to U.S. suppliers to Israel include: chemicals and plastics, especially chemical processing equipment; metal and metal products; machinery, especially for metalworking; transport equipment; electrical, electronics and optical equipment and equipment for tourist services.

Growth at slower speed

The Government's economic policy program for 1970 is designed to continue the rapid growth of the economy to meet security and other needs, but at a slightly slower speed. The necessity of redressing the serious external payments situation is noted; but since the problem is viewed as a long-range one, the immediate objective is seen as the creation of the proper conditions to insure an eventual solution. Immediate economic goals include: the maintenance of Israel's economic competitiveness, a better standard of living, internal stability of wages and prices and the development of social services and a more equitable distribution of income.

According to the official Government forecast, GNP in constant prices in 1970 is expected to rise by an average of approximately 9% to $5.1 billion. The increase is expected to be higher in the first half of the year and significantly lower in the second half. Employment is expected to rise by 4% and productivity by 5%. There will be an acceleration in the growth of public consumption to 15% and a drop in the rate of growth of investment to 10%. The growth of private consumption in fixed prices will slow down to 9% or to about 5-6% per capita.

The expansion in 1970 will be led by the building sector, which anticipates a growth rate of about last year's level of 25%. This is based on an anticipated immigration of 50,000-60,000 persons. Industry will follow, but its rate of expansion will drop from 17% in 1969 to 13%.

The forecast recognizes that prices and imports will have to rise to meet demand. Prices are expected to increase at a rate slightly higher than in 1969. The growth of imports is expected to exceed the growth of exports. Total imports of goods and services are forecast at $2,455 million and exports at $1,350 million. The current account deficit will grow by almost a fifth to $1,105 million. Capital imports are expected to rise significantly (40%) to $1 billion. The recent U.S. announcement of economic assistance will alter these original estimates accordingly.

Monetary policy will continue to shoulder an important part of the task of maintaining domestic price stability. The most challenging assignment for monetary policy will be minimizing the positive monetary impact of the anticipated large government borrowing from the central bank.

The Government has been successful in implementing a new reform—the abolition of the legal ceiling on interest rates. The bank will thus have for the first time in its history a further instrument for implementing monetary policy. The Government's reform also includes measures to control so-called bill brokerage transactions, which take place outside of the banking system and were previously not subject to bank liquidity requirements.

Wage, fiscal and monetary policies are to operate principally within the context of a complex, interconnected and comprehensive arrangement between government, labor and management. The principal objective of the so-called wage-price-tax package approach, negotiated in February of this year, is to maintain relative domestic price and wage stability. The parties to this triangular arrangement are free to pursue their own objectives if any one of the participants fails to satisfy the conditions.

The wage part of the agreement provides in 1970 for a cost-of-living increment payable in cash and a wage increase payable in interest-bearing Government Savings Bonds. Workers who pay no income tax will receive their bond component in cash. In 1971 labor will receive an additional small wage increase, the details of which are yet to be negotiated.

The principal obligation of management is not to raise prices because of the higher wages, taxes and social payments made. All employers are to buy Savings Bonds to make their contribution equal to that of labor. Employers will also have to pay higher contributions for social welfare and insurance programs.

The Government's obligations are not to raise national or municipal taxes, both within and outside the package arrangement, and to maintain price subsidies on

essential commodities such as bread and milk. Other parts of the Government's fiscal policy program include: a slight increase in the income tax surtax; higher indirect taxes, especially on automobiles; forced savings through substitution of a compulsory Defense Loan for the previous voluntary loan, and through compulsory wage payments in the form of Savings Bonds; and increases in employer and employee payments for social welfare and insurance programs.

Tight monetary policy, a less expansionary fiscal policy and the import deposit scheme are expected to act as brakes on the growth of imports. The ultimate goal is to return to the historical trend whereby the current account deficit of the balance of payments was significantly influenced by very rapid export growth. Despite these policies, 1970 imports will be high, and the anticipated balance of payments deficit will be covered principally by heavier foreign borrowing.

The significant dependence of Israel on external borrowing has led to an internal public debate on the overall direction of Israeli economic policy. The Government believes that there is no alternative for the moment to the present policy because a dynamic, growing economy is essential for public morale, for encouragement of immigration and their absorption into the economy, and for reducing the burden of security expenditures. The Government view is that the package deal has forestalled initiation of a new inflationary spiral and must be given a chance to operate before other action is taken. Officials assure that if current efforts prove inadequate, the Government will not hesitate to take further measures. Some economists, especially in the academic community, believe that priority should be given to a further reduction in private consumption and to vigorous efforts to alter the balance of payments situation. In the absence of such changes, these economists believe that a significant deflation may be required and that Israel's drive toward economic independence will be hampered.

In sum, the Israeli economic scene will be characterized by some uncertainty in 1970. Successful implementation of current stabilization policies will not be easy, given the stresses and strains normally associated with full employment conditions. The situation could be complicated by unpredictable changes in Government expenditures, especially for security, as well as in economic activity in Israel's principal foreign markets. On the other hand, the recently announced U.S. assistance efforts will have a salutary effect on the balance of payments situation.

Relative price stability, strong export gains, higher farm yields brighten Uruguayan prospects

Business confidence restored by general economic upturn; foreign loans improve chances for increased sales of U.S. goods

After 20 months of relative price stability and concentrated efforts to put its house in order, Uruguay's economy is following generally encouraging trends.

Along with a cost-of-living rise of under 15%, 1969 saw a GDP gain of 4.6%, the highest exports in 13 years, good agricultural yields, development in key industries, capital repatriation, and a sizable decrease in strikes. Improvement is visible in productivity, export mentality and both private and public managerial decisiveness, and business confidence is reinforced by continuing strong popular support for the President, according to the Economic Trends Report from the U.S. Embassy in Montevideo. On the negative side, weak spots in construction, transport and employment combine with continued large central budget deficits to cloud the picture.

Economic growth is still impeded by tight credit and inadequate investment, and the question remains as to how soon government mechanisms such as price and wage controls can be replaced by free market forces.

Easing of credit restrictions is indicated for 1970, however, and a vigorous stimulant in the form of AID and other international loans coming into force this year promises to thrust development forward, making possible a banner year for capital goods imports and a higher level of investment.

Trade hits new highs

According to preliminary official statistics, Uruguay's 1969 trade activity was the largest in 13 years, with exports of $204 million and imports of $197 million, totals respectively rising 14% and 24% from 1968 to surpass targeted goals. Making the export performance even more impressive was its achievement despite crippling mid-year strikes in banking, cement, and meat plants, and the collapse of wool sales in the final months of the year largely due to low world prices.

Powering the export drive were meat sales approximating $60 million, hides sales of $20 million and agricultural shipments worth $25 million, a 232% improvement over 1968. In the latter category processed foods represented $17 million or a 143% gain. Fruits had special success, increasing their acceptance in northern Europe, entering Central America for the first time, and widening sales in South America. Fish deliveries to the United States reached sufficient volume in October to start regular exports via ship.

Showing surprising strength, exports of industrial products, ranging from automobile tires to parquet flooring, rose 76% to approach $7 million. Although shipments of greasy wool and processed wools sagged, token exports of synthetic yarn to Brazil and finished garments to the United States were successfully initiated.

The stagnancy of wool shipments, measuring half that of the previous clip year, also reflects a heavy total tax load of about 40% which still remains despite plans to gradually shift the revenue burden to land productivity taxes. New government assistance for exports, however, has come in a Foreign Ministry program obliging all diplomatic posts to translate and publicize lists of Uruguayan products and advise home manufacturers of those with top sales potential.

The fast-advancing rice industry has been badly hurt by the sudden world market decline caused by the new growth breeds, but is shifting its varieties. Another reliable export earner, portland cement, saw shipments fall from a prolonged strike and expects further export shrinkage over the next three years because of heightened internal consumption.

In a promising tone for the future, press and official commentary on the large import increase has pointed out that economic growth cannot be gained by restricting purchases and that the bulk of the purchases were essential for healthy growth. Machinery and vehicle imports rose 180% from $19.6 million to

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$55.9 million. West Germany, Spain and the United Kingdom made strong export gains in 1969, within nine months having surpassed their totals for 1968.

Figures through September show the United States accounting for 13.4% of all Uruguayan imports with $19.1 million in sales, followed by West Germany (11.8%, $16 million), Spain (6.7%, $9.1 million), and the United Kingdom (6.2%, $8.4 million).

Swollen by $19.6 million worth of PL 480 shipments deliveries, U.S. sales to Uruguay in 1968 exceeded $36 million and represented 22.6% of Uruguayan imports. In contrast, PL 480 commodities totaled only $271,338 through September 1969. As to exports from Uruguay in nine months of 1969, sales to Germany roughly balanced purchases, sales to the United Kingdom exceeded purchases by 3 to 1, but sales to the United States fell behind purchases by 2 to 5. In contrast to the United States taking 5.9% of Uruguay's exports, the United Kingdom received 16% and Italy and West Germany both took 10%.

Sales opportunities strong

The availability of abundant low-cost international loans, combined with the other economic gains of the past year, have created a promising potential for American business. In the words of a visiting U.S. food processing consultant in February, "the conditions are here . . . where are the salesmen?"

The meat industry spent almost $4 million to improve its plants in 1969. With burgeoning world demand for meat, the meatpackers are eager to utilize more than $16 million in inexpensive foreign credits which should be disposable this year for the purchase of a broad range of equipment. Giving marginal further support to the meat industry is a new Government decree exonerating imports of breeding cattle from all import taxes through Feb. 5, 1971. The related hides industry has been marked by planners for strong development in 1970. Needed are sliming equipment, rollers and slicers, and a wide assortment of leather processing machinery. Joint ventures to bring U.S. know-how into shoe production are also of interest.

Despite a year of record output and exports, the food industry still suffers from sizable post-harvest losses. The shortage of refrigerated storage and transport capacity must be corrected, and modern processing and packaging equipment is sought to transform abundance into exports.

While quality granite and marble have been quarried and shipped in blocks for years, local producers are now able to buy cutting and polishing machinery for much higher profit returns.

Very attractive opportunities for combined equipment sales and joint investment lie in the awakening of the fishing industry.

New legislation on exploitation of sea resources enacted in December removes taxes on both imports and earnings and grants sweeping concessions to foreign firms which wish to operate in Uruguay. Responsible officials have stated that Uruguay lacks the means to fully exploit the impressively rich fishing grounds off its coast and wants to attract foreign investment in everything from catching to canning.

While all the above capital goods qualify for AID credits, demand also is strong in other sectors not benefiting from such assistance. Resurging domestic demand and the need to refurbish long-neglected insta'lations have led some of the country's largest textile mills to plan extensive reequipping. The garment industry, encouraged by token forays into the U.S. market, wants to expand. Wood products manufacturers seek new machinery to meet agricultural demand for packing boxes. Tenders for $9 million worth of IDB-financed port equipment, from cranes to forklift trucks, have begun to be released by the Montevideo port authorities. The local tobacco industry inaugurated filter tip production in January and wants equipment for expansion.

A series of new decrees to promote tourism and the probability of a large new IDB loan has spurred interest in U.S. hotel equipment and investment.

The climate for foreign investment remains receptive, with clear realization that outside cooperation is needed to raise technical levels, develop marketing channels, and instill good management as well as supply financing. Interest in obtaining licenses remains high, and desire for joint ventures is strengthening. Increasingly export-conscious, more local firms want to manufacture and sell U.S. products within LAFTA or other regional groupings.

In any case, foreign investment appears needed to expand the industrial base required to more fully process Uruguay's natural wealth. Uruguay's emerging economic stance calls for more initiative in world markets and competent allies are wanted. The advantages can be mutual.

The cost of living rose 14.5% in 1969, 5.5% below the official target, in contrast to 66.3% in 1968 and 136% in 1967. Pressure for higher wages, a continuing cause of labor unrest was eased by across-the-board wage increases of 8% for private workers in December and 10% for government workers in January, sums accompanied by raises in family allowances.

Official estimates foresee a total 15% rise for the year, led by anticipated price increases for meat and housing. The relaxation of housing controls is expected to stimulate construction activity. Further pressuring the index have been rate increases imposed in February on public utilities, actions explained as necessary to put public entities on a commercial footing.

Now 15 months old, the official price-wage commission (COPRIN) continues its workmanlike adjustments, and preliminary projections of the Government's monetary budget specify no further hikes in private wages nor public utility rates throughout the year. Government statistics indicate that real wages have increased since wage-price controls were imposed in June 1968, as COPRIN-approved wage increases have exceeded price advances.

Deficit was larger

Adjusted for the cost-of-living increase, 1969 tax revenues were 5% higher in real terms, principally due to improved collections of direct taxes. Despite this, the 1969 cash budget deficit is believed to have been considerably larger than that of the previous year, mainly because of the wage increases granted to public employees in January based on previous high rates of inflation.

More positively, the net foreign reserve position at the end of December was $58.7 million, an encouraging gain of $16 million from the end of 1968. Maintaining momentum, Central Bank purchases of foreign exchange in the first two months of 1970 far exceeded sales. Amortization payments due to be paid on the foreign currency debt to non-residents in 1970 are $38 million, compared to $43 million in 1969 and $60 million in 1968. Financial observers report a continuing strong inflow of private funds which had previously gone abroad, attracted by high local lending rates.

As a consequence of improved foreign reserves and government borrowing to finance its deficit, currency in circulation at the beginning of 1970 was 36% higher than a year before, but demand and time deposits continue to rise with no sign of inflationary scare buying

Propelled by a good agricultural performance, Gross Domestic Product (GDP) jumped 4.6% in 1969, but at $1.6 billion is still slightly below the level of 1966. In constant 1961 prices,

the value of agricultural production rose 15% above 1968, industrial output climbed 4%, commerce and transport increased by 7%, but construction fell 4%, to the lowest level in four years. Retail sales, on a broad front from consumer durables to processed foodstuffs, have accelerated their pace in the past 12 months and are described as "considerably improved" and "on par with 1966."

Investment in plant modernization and expansion is beginning a moderate resurgence for the first time in several years. A more pronounced spurt in growth, however, is stymied by a disappointingly slow housing program and by the continuance of severely high interest costs ranging from between 30-70% annually on the non-bank market to up to 48% from the commercial banks. The national housing legislation of December 1968 remains to be made operational. It is replete with funds but short of projects, and only a small part of the dwelling starts originally visualized for 1970 are expected to materialize.

The deeper problem of the high cost of money permeates all business, encouraging many firms to loan out profits for higher return rather than reinvest to improve production capacity. The Government is officially stating that interest rates must come down to promote development, but no effective mechanism has been developed. Official consideration is being given to broadening the lending capacity of all commercial banks, limits having been abruptly reduced two years ago to curb inflation, and to the possible imposition of a maximum interest rate. The Central Bank expects interest rates to be forced down by competition as the banking system is gradually allowed to augment lending volume, and bank mergers should improve service efficiency and cut operating costs.

Loans spur development

The real breakthrough in economic development, however, may come from a capital goods loan of $15 million from the U.S. Agency for International Development (AID) which came into operation in December, a $13 million Inter-American Development Bank (IDB) loan for the meatpacking industry scheduled for signing in April and a $2 million capital goods loan from the Export-Import Bank of the U.S. for private industry due for implementation by mid-year.

In addition to providing needed capital on easy terms, these loans have encouraged Uruguay to concentrate efforts in productive areas of strong comparative advantage. The AID loan is limited to the meatpacking and food processing industries, tanneries and leather processing, extractive industries such as marble and granite, and the fishing industry, all sectors where local resources are rich. The IDB has specifically cited as recipients 11 promising meatpacking plants, a rendering factory and a communal freezer warehouse in the port of Montevideo. Conditions of the AID credit include exoneration from all import taxes.

Reinforcing the impact of the loans is growing government and industry emphasis on steering local industry toward more value-added processing of native materials.

Two other activities that promise to boost development are the Government's apparent endorsement of enlarging Uruguay's miniscule automobile industry and progress in the offshore oil program. The import of car kits for local assembly climbed from virtually nothing in 1968 to 3,000 units in 1969 and is expected to more than double in 1970. The move is viewed as a thrust toward prosperity with a broad multiplier effect. Ford hopes to inaugurate assembly production by July, joining General Motors and seven other local car firms.

After rejecting as unsatisfactory the bids of two U.S. firms received in response to a tender last year, Uruguay remains resolved to develop whatever offshore petroleum resources exist, and has reshaped its program into three distinct stages. It will shortly contract with one or more of six bidders (one French and five American firms) to perform a six-month geophysical survey. After its completion, tenders for the subsequent phases of exploration and extraction will be issued.

Public investment is expected to increase in 1970. Key among other government efforts to foment growth are vigorous reform programs in the large state-owned firms. Responding to a year's study by a leading U.S. managerial consulting firm, Uruguay's petroleum-cement-alcohol conglomerate ANCAP has embarked on a streamlining process closely observed by other large firms, featuring decentralization and reduction in personnel. UTE, the electric power and telephone giant, is also successfully going through an important administrative restructuring but is finding it difficult to finance the badly needed expansion of its electrical power generation system. It hopes to start construction on the 375 megawatt Palmar Hydroelectric Complex this year, and has received equipment offers from 11 foreign consortiums.

PLUNA, the state airline, plans delivery of Uruguay's first commercial passenger jet, and is considering a second model in late 1971.

U.S. foreign trade in business machines set records in '69

Computers, parts topped exports calculating machines led imports

U.S. foreign trade in business machines in 1969 reached new highs of $1.1 billion in exports and $375 million in imports.

Exports were up 37% over the $835 million of 1968, and imports were up 45% over the $259 million for the same year, according to the Commerce Department's Business and Defense Services Administration (BDSA).

Electronic computers and parts accounted for the largest segment of exports, 64%, for a total of $728 million in 1969. Major customers included West Germany, United Kingdom, Canada, Japan, and France.

Bookkeeping and accounting machines and parts were second, as in 1968, comprising 10% of the exports, or a total of $119 million in 1969. The leading markets were Canada, United Kingdom, Japan, France, and West Germany.

Photocopying equipment and parts totaled $58 million of 5% of total exports. Principal customers were Canada, United Kingdom, Brazil, Mexico, and Japan.

Calculating machines were the most-heavily imported business machines into the U.S. in 1969, accounting for 29% or $108 million. Japan, Italy, West Germany, Sweden, and Belgium were the chief suppliers. Electronic calculators (solid-state) comprised 20% of total calculating machine imports, and were valued at $22 million. Japan and Italy were the leading suppliers.

Adding machines comprised 1% of imports or $4.5 million. The leading exporter to the United States was Japan.

Typewriters and parts were second at 19% of imports, or a total of $72 million. The leading suppliers were West Germany, Japan, United Kingdom, The Netherlands, and Italy.

Office copying machines totaled $15 million or 4% of the total. This represents a 76% increase over 1968. The principal supplier was Japan.

Data processing machines, including punch card machines, tape recorders, and other ADP machines totaled $22 million or 6% of imports in 1969, increasing 214% from 1968. Canada, France, Italy, The Netherlands, and the United Kingdom were the principal suppliers.

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Two Argentine laws aim to boost industrialization through capital goods imports, decentralization

Overall impact ultimately should bring some liberalization; Government plans pragmatic approach, with changes as required

By JOHN EDGAR WILLIAMS
Commercial Attache, U.S. Embassy, Buenos Aires

The Argentine Government recently issued two laws designed to clarify the system for capital goods imports and industrial investment. The two laws are intended to simplify, clarify and strengthen Argentina's system of promotion of industry through import and other policy measures. The full system will not go into operation until June.

WILLIAMS

The effects on Argentine imports of capital goods will probably be mixed: liberalizing measures and protective measures will partially cancel each other. However, the overall effect ultimately should be one of liberalization.

The impact on new foreign investment, which of course involves imports, is likely to be favorable.

The two laws clarify the ground rules for foreign investment and for imports of capital goods. Once past the initial period of uncertainty regarding the operation of the laws themselves, their net impact should be favorable to the growth of Argentine imports of capital goods and, therefore, favorable to Argentina's exports of both industrial and agricultural products.

The following is a synopsis of the recent enactments.

Law No. 18,587—Establishes a new regime of industrial promotion. Establishes a policy of geographic decentralization of industry. Emphasizes promotion of basic and capital goods industries. Empowers the Executive to use a number of promotional devices and policy tools to achieve the purposes of the law. Establishes equal legal rights for foreign and domestic capital investments, and sets forth policies for new foreign investment.

Decree 603/70—Establishes certain regulations under Law 18,587. Permits certain prior industrial promotion decrees to remain temporarily in force in modified form.

Law No. 18,588—Abolishes with a few exceptions, all existing laws and special regimes allowing imports at rates of duty differing from those in the Argentine tariff schedule (NADI). Instructs the Executive to identify and grant protection to capital goods produced in Argentina.

Decree 604/70—Establishes certain regulations under Law 18,588. Abolishes all existing decrees providing tariff treatment different from that fixed by the NADI; defines capital goods and gives criteria for determining whether a particular good is manufactured in Argentina; authorizes a permanent advisory Committee to deal with this question on a continuing basis; provides a list of capital goods with new customs duties which are to replace those in the existing tariff schedule 120 days from the date of the publication of the decree (presumably June 12); and invites comments and suggestions for changes in the list for consideration during this period.

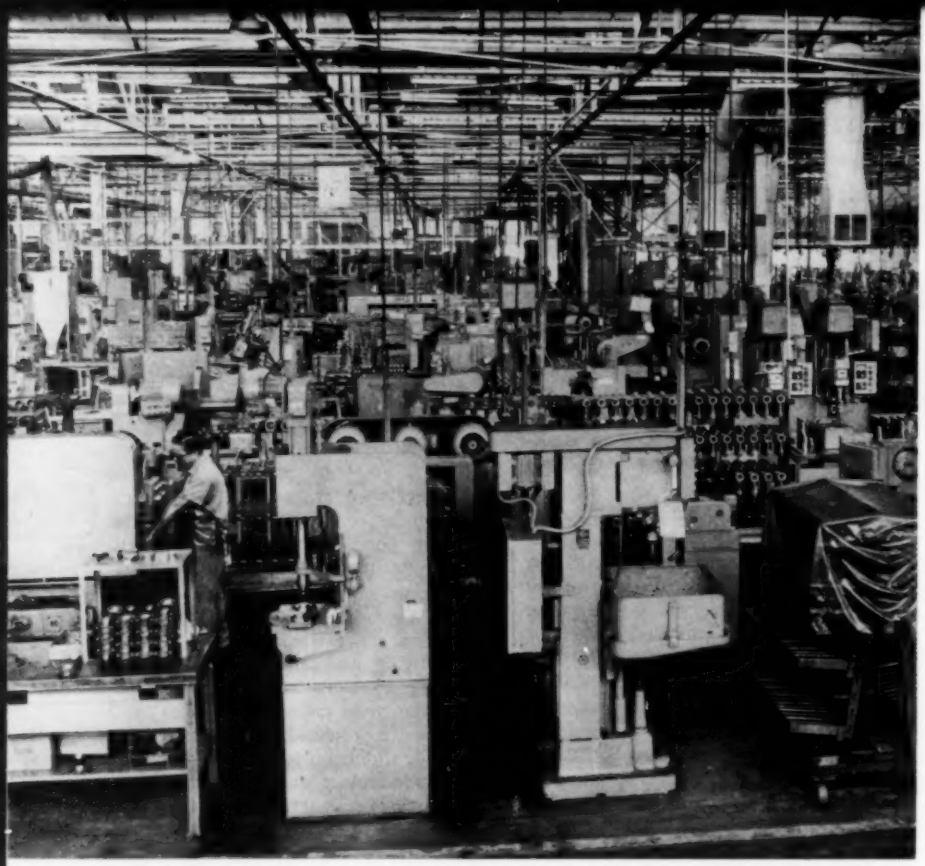
Economic philosophy

The economic philosophy behind this legislation can be summarized as follows: Argentina has never had a real national strategy of industrialization; industrialization has been carried out on an *ad hoc* basis: if an entrepreneur wished to establish a given industry, his application would be acted on positively or negatively, but the Government offered little positive inducement for private enterprise to invest in essential industries, nor did it systematically attempt to attract industry to under-developed parts of the country. High protective tariffs on non-essential consumer goods attracted resources into import-substitution. High tariffs on industrial imports raised costs and made it difficult for Argentina to export. High costs of production raised domestic prices, raised cost of living, and caused deterioration in the foreign exchange rate, thus making exports even more difficult. The high tariff system which protected Argentine products also made it difficult for Argentine manufacturers to replace worn-out capital goods and to build necessary infrastructure. It is necessary to break these interlocking vicious circles at the level of capital goods by allowing such goods to be imported cheaply, but at the same time allowing Argentine entrepreneurs limited infant industry protection while building up efficiency in production of capital goods. Argentine in-

Argentine tariffs for selected products

Description	Existing duty	Duty under Decree 604/70	Total Imports (US$ million 1968)	U.S. share (US$ millions)
Auto engine parts	120%	20%	2.8	.7
Parts for non-auto engines	100%	80%	2.6	1.0
Pumps, n.e.s.	90%	20%	3.1	1.1
Parts for pumps, n.e.s.	90%	80%	1.7	1.2
Compressors, n.e.s.	50%	20%	2.1	.3
Parts for compressors	90%	90%	1.5	.9
Evaporating and dehydrating equipment, n.e.s.	90%	20%	1.2	.5
Filtering equipment, n.e.s.	90%	20%	1.0	.2
Lifting, loading equipment, n.e.s.	90%	20%	4.5	2.1
Machinery for preparing textile fibers, n.e.s.	50%	20%	1.3	.7
Accessories for textile industry, n.e.s.	90%	20%	3.2	.4
Steel rolling machinery	80%	80%	1.6	1.6
Parts for steel rolling machinery	90%	80%	4.9	3.3
Statistical machines, peripherals	20%	20%	5.8	1.8

Source: Argentine National Institute of Statistics



CAPITAL GOODS IMPORTS SHOULD BE STIMULATED by two recent Argentine laws designed to speed up the industrialization process. This is a general view of the Chevrolet plant at St. Martin.

dustry must not be allowed again to lapse into inefficiency under the impression that it will always be heavily protected. On the contrary, commercial policy must be an active tool to promote ever-increasing efficiency of industry, and state enterprises which produce goods and services normally produced by private industry should not be at an advantage or a disadvantage with respect to similar private industries.

Purposes and background

The major stated purposes of these laws are: to assist the expansion and modernization of existing industries, to promote the geographic decentralization of industry, to promote capital goods industries, to put private industry and government enterprises on the same footing by eliminating existing preferential imports regimes, and to provide for automatic approval of imports, at low rates of duty, of capital goods not being produced in Argentina.

The Minister of Economy, Dagnino Pastore, in outlining his economic program for 1970 predicted that Argentine exports would reach $1.8 billion this year. While such a level depends largely on everything continuing to go exceptionally well in agriculture, it also depends on maintaining an increasing level of industrial exports.

The year 1970 began with many industrial sectors operating at or near full capacity. The Government's problem is to bring about an increase in industrial production without raising costs. Higher costs would put additional pressure on the cost of living and would lower the competitiveness of Argentine industrial exports. Thus it is essential both to promote new industrialization and to allow existing industry to replace worn-out capital equipment with equipment embodying modern technology at reasonable prices.

These objectives, however, necessarily conflict to some degree with the desire of the Government to promote domestic production of capital as well as consumer goods. It is almost always more advantageous in the short run for Argentina to import capital equipment from abroad, because imported goods are usually cheaper and of better quality. However, if such goods were always imported, Argentina would never build up its own capital equipment industry. Policy makers, therefore, arrived at what they consider a reasonable compromise in the new regime for industrial promotion and re-equipment.

The Government has, for many years, recognized the weaknesses of an industrial non-policy. Attempts to remedy this, however, have always previously been on an ad-hoc basis; an entrepreneur or state enterprise would ask for an exemption from high import tariffs for certain equipment on grounds of national interest. A special decree usually would be issued. Eventually, the exceptions overbalanced the rule. In 1969, over 40% of total imports, $664 million dollars, were capital and intermediate goods imported under special customs exemptions.

One difficulty, however, was that Argentina, to protect itself against frivolous and speculative requests, required a very long, arduous series of bureaucratic procedures in order to issue special decrees. This could take many months, and make it difficult to plan industrial expansion or re-equipment, order goods or get financing.

To end uncertainties

The new industrial re-equipment law is designed to eliminate, to a large degree, the uncertainties involved in not knowing whether special customs treatment would be approved for a given case, its extent—(whether total or partial duty exemption) and how long it might be before a decision was made. The Decree implementing this law is designed to ensure that, in the large majority of cases, the prospective importer or investor knows exactly which machines he can import at low rates of duty and which ones the Government would prefer him to buy domestically.

In either case, the decree is intended to make import procedures virtually automatic on payment of the appropriate duties. There should be significant delays only if the importer chooses to challenge a government finding that a machine having certain technical characteristics is produced in Argentina. In some cases, it may be that a similar machine is produced which, however, would not meet certain specific needs. The question would have to be argued before the Advisory Committee which the Secretariat of Industry and Domestic Trade is to set up.

The laws in question have caused a gap which is to a limited degree adversely affecting imports of capital goods. Special duty rates were abolished as of Feb. 12. Decree 604/70 contains new duty rates for a wide variety of capital goods, but these rates do not go into effect for 120 days from Feb. 12, during which time the Argentine Government will receive requests for amendments, additions, and deletions. Thus, the much higher duty rates in the Argentine Tariff Schedule are being

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collected on these goods. It is not known whether the new duty rates, when they go into effect in June, will be made retroactive to cover the February-June period. It is evident that some businessmen are postponing orders for capital equipment. Others are leaving shipments in bond. In practice, the effective duty rates on most capital equipment will be raised despite the reductions in the new published rates. For example, on a certain machine, the NADI tariff rate previously was 90%. Under the new rates, it is down to 20%. Previously, however, the importer was bringing it in duty-free under a national interest decree. So the duty on his machine has effectively been raised from 0 to 20%.

A large number of the new duty rates represent significant reductions from the former rates. The general rate for goods not produced in Argentina is 20%. For items produced in Argentina, rates vary according to the supposed needs of the industry. The majority have rates between 50% and 80%. A number of these were reduced from previous levels of over 100%. Some rates are maintained at over 100%; a few are at the maximum, 140% During the 120 day period before the new rates are supposed to take effect, requests for lower rates of duty and requests for additional protection are being received. The number of such requests which are granted will give an indication of the balance the government intends to strike between liberalization and protection.

Doubtless, another reason for the 120-day delay in putting into effect the new tariff rates was to ease the blow to importers of equipment who had stocks imported at higher rates of duty. In many cases they will now have to compete with machines brought in at considerably reduced duties. Some of their customers will presumably have to go ahead and buy at the old higher price rather than waiting.

The new laws recognize the value of foreign investment, but state that the principal source of investment capital should be internally-generated savings. These laws replace the previous law for the promotion of foreign investment. Law 18,587 guarantees foreign capital the same legal rights as Argentine capital. It states that foreign investors will be able to remit profits through the free foreign exchange market. It says that capital repatriation will be subject only to those restrictions agreed upon at the time of the investment.

All foreign investments under this law require prior Government approval. The law stipulates that foreign capital investments may be in the form of foreign exchange, technology, capital goods and parts thereof. It states that preference will be given to foreign capital which is invested in joint ventures with national capital. However, it does not make clear how or in what form such preference is to be given. It does not appear to mean that there will be any preferential treatment after the investment has been made, but only in considering applications for investments. All of these provisions had similar counterparts in the previous law.

The Government announced that the new laws would be used to stimulate foreign investment in expanding and modernizing existing industries. These laws also introduce a significant innovation: the adoption of the concept of national poles of development and security. The Government plans to use these laws to promote investment, both foreign and domestic, in certain areas of the country which it desires to develop. The principal poles are reported to be: Tucuman, Resistencia-Corrientes, Bahia Blanca, Posadas, Neuquen-Upper Rio Negro Valley, Comodoro Rivadavia, and Puerto Madryn.

Must be fleshed out

The new laws are largely a body of policy decisions, expressions of Government intent, and authorizations for the executive to take implementing action. The framework will have to be fleshed out with considerably more detailed regulations. As these regulations are issued, they will reveal much about how Argentina plans to make the system work. The Government plans to operate in a pragmatic way. If the new legislation seems to be discouraging rather than promoting imports of needed capital equipment, it will probably be changed. If new special regimes are needed, they will be authorized. Mistakes will be corrected and gaps will be plugged. The Government is prepared to accept some disruption in the flow of capital goods imports as part of the cost of its new policy. The effects of the slowdown in such imports during the period February-June will probably show up in production after a lag of some months.

The Government clearly feels that a 20% tariff is low enough so that it will not constitute a significant barrier to imports. The overall significance of these measures for American business is not yet clear. It will undoubtedly vary widely, depending on the type of product. The Government's criteria for a machine produced in Argentina are very broad—at least one prototype functioning in a production plant—and give the benefit of any doubt to the local industry. Some U.S. industries which have hitherto exported capital goods to Argentina might now find it advantageous to enter into a joint venture or licensing arrangement for manufacture in Argentina.

An English language copy of the new laws and decrees may be obtained from the American Republics Division, BIC-0886, Department of Commerce, Washington, D.C. 20230.

GATT's new publications

The General Agreement on Tariffs and Trade (GATT) has published several recent studies of possible interest to U.S. exporters. They include:

The Role of the Freight Forwarder in Developing Countries. 139 pp. $5

Western European Markets for Frozen Foods. 230 pp. $5

Manual on the Compilation of Basic Information on Export Markets. 114 pp. $5

Multinational Product Promotion. 107 pp. $5

A Guide to Sources of Information on Foreign Trade Regulations. 119 pp. $5

Write: International Trade Centre, UNCTAD/GATT, Palais des Nations, 1211 Geneva 10, Switzerland.

Japanese firms underwrite copper production in Peru

Two Japanese firms, Toho Zinc Co. and Marubeni-Iida Co., have announced the signing of a contract with Compania de Madrigal to underwrite a $6.5 million loan for the development of three mine lots of that company's Madrigal mine in Peru. The Compania de Madrigal is a Peruvian subsidiary of the Homestake Mining Co. of San Francisco.

The contract stipulates that $2 million of the total investment will be allocated for procurement of Japanese equipment and materials for development of the mine.

Development plans call for the mine to produce annually 11,400 metric tons of copper concentrates, 10,800 tons of lead concentrates, and 13,800 tons of zinc concentrates, all in terms of metal content. Production is scheduled to start 18 months after initial funds for mine development are made available.

The Toho Zinc Co. will consume all production of the mine lots through 1977, and has priority rights to purchase all production after 1977. The loan will be completely paid off by shipments to Toho by 1977.

Firms in Australia, Germany, Switzerland offer goods to U.S. concerns for licensing

Inventors and manufacturers present plastic toys, pumps, plastic film machines, backflow valve systems, heated coats and truck lifts

Firms in Australia, Federal Republic of Germany and Switzerland are offering a variety of products to American companies for licensing, including magnetic plastic toys, pumps, plastic film machinery, anti-sewage backflow valve systems, an electrically-heated coat and a truck tail-board lift.

For additional information and the name and address of the firm, write the Office of International Investment, BIC 874, Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned each opportunity listed below.

• A rotary piston pump is offered for manufacture by its Australian inventor. The pump combines the principles of a centrifuge pump and a reciprocating pump, and has the advantages of both systems.

It is constructed so that the liquid being pumped enters through the tangential inlet flange and passes through the spokes of the modified impeller, through the passage marked "inlet", into the circular cylinder. Two pistons mounted on the impeller rotate clock-wise at a constant speed inside the cylinder. Normally these pistons would push the liquid around in a circle, however, this is prevented by a constantly rotating valve disc which blocks the chamber between the inlet and outlet, but is provided with slots timed to let the pistons pass through. As each piston recedes from the valve disc, it creates behind it a suction space, while at the same time pushing the liquid ahead of it, expelling it through the outlet.

In some respects the pump is similar to the centrifugal, but is more effective in handling liquids containing solid impurities such as wool fibers, sand and grit. For a given physical size it has a higher lift capability, and is claimed to be non-clogging and immune to vapor locks.

The standard unit weighs 53 lbs., is 15½ inches wide, and 14½ inches high. It is intended for belt or direct drive from a tractor, stationary engine or electric motor. The pump can deliver 150 gallons per minute at 1500 rpm, requiring eight hp against a 139-foot head. **File 1862.**

• Rights are being offered for manufacture in the U.S. of machinery to produce polyethylene shrink film covers up to 10 feet in diameter.

The machinery developed in Germany consists of an unwinding device, sealing and cutting mechanism, stacker, film transport reels, chains, a lay-out table, and an electronic steering and control unit. The finished product can be used as mattress covers, protectors of palletized goods, and in other capacities.

The company is also interested in cross-licensing arrangement with U.S. company for assembling and/or distributing in Europe other packaging machinery in the field of plastic film. **File 1863.**

• A German maker of sewage and drainage equipment wishes to license the manufacture of its system which prevents the backflow from sewage, cesspool, and other waste disposal installations.

The disclosure abstract to the patent granted in late 1969 reads as follows: "A drain on the floor of a cellar, or the like, has a screen overlying an overflow compartment of a container which opens into a chamber with a relatively elevated inlet, closable from within by a first floating ball valve, and with a relatively depressed outlet normally closed from without by a second valve floating on a pool of liquid formed in an adjoining discharge pipe."

This system seals the drain against odor and backflow from the sewage and waste-disposal system without substantially impeding the discharge of accumulating water from within. **File 1864.**

• A German producer of industrial electric equipment is offering licenses for its patented electro-mechanical truck tailgate lift. **File 1865.**

• An industrial electric equipment firm in Germany is offering for production in the U.S. its electrically-heated, battery operated vest which is particularly suitable for operators of trucks, tractors, cranes and other construction equipment. **File 1866.**

• A Swiss inventor is interested in having his newly-invented magnetized plastic toys produced in the U.S. One of the toys is covered by a U.S. patent, and the patent is pending on another. One patent is for puzzle mosaics and similar constructive toys of which the parts cannot drop out and become lost.

The other patent is for all kinds of football, hockey, "hazard", skill and tournament games from pocket-size to table-size.

Joint venture sought by Swiss firm

A Swiss company engaged in developing and manufacturing a wide range of sensors and devices for controlling and measuring temperature and humidity in gases, liquids and solids would like to establish a joint venture company in the United States with a medium size American manufacturer of electronic apparatus and instruments.

Many of these instruments are reported to be based on advanced hygrometric and thermal principles adapted to production line requirements. In addition to sensors and measuring devices, the Swiss firm can offer a range of related electronic evaluating and data handling equipment, including analogue and digital convertors arranged for non-linear input characteristics, digital data collecting and recording equipment and a small hybrid computer for direct digital (DDC) process control.

The joint venture would be formed for the manufacture of the Swiss firm's products in the U.S. and terms are open to negotiation.

While small in number of employees, the Swiss firm is reported to be a leader in its field, maintains excellent research facilities and is financially strong. It has close business and financial connections with a large Swiss electronic manufacturer.

Interested companies may obtain further information by writing to the Office of International Investment, BIC-874, Department of Commerce, Washington, D.C. 20230. **File JV-2/1868.**

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Magnetic force is used whereby little balls can be directed with accuracy on each of the playing fields. The standard basic mechanism can be adapted to a variety of games.

No sales literature is yet available, but the toys are being manufactured in Europe. **File 1867.**

Malaysian company seeks license or joint venture; wants to make spark plugs

A Malaysian holding company seeks a license or joint venture agreement to manufacture spark plugs. The organization's 17 affiliates currently make such products as cable, knitwear, fire bricks, plywood panels, plastic articles and fans.

In the event it negotiates a joint venture the company is prepared to form a new firm to make the spark plugs.

Write: Peter Khaw, Planning and Research Department, Industries & Realty Group Sendirian Berhad, 1B & 1C Belfield St., Ipoh, Malaysia. WTD. **P-70518.**

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

Three German firms desire U.S. licenses

● Licenses to produce coupling and braking systems are sought by a German machinery manufacturer. The firm presently makes textile and finishing machinery and equipment and parts for the plastics and paperboard industries. It has around 1,000 employees and operates a well equipped plant.

Write: Joh. Kleinewefers Soehne, Kleinewefers-Kalanderstr., 415 Krefeld, Germany. WTD. **P-70523.**

● A German maker of automatic bag filling and fastening machines for foodstuffs wants to expand its production program. It seeks licenses to make newly developed packaging equipment and machinery.

The firm has produced several food packing machines which have become established on the domestic, EEC and EFTA markets. It also has licensees in Great Britain and Japan.

Write: Bauer, Eberhard, Spezialmaschinenfabrik, 21 Oberer Frankfurter Weg, 479 Paderborn, Germany. WTD. **P-70524.**

● A well known group of internationally prominent German firms producing such beverages as Steinhager, Schinkenhager and Puschkin is seeking production and sales licenses for Europe of any U.S. alcoholic beverages new to the European market. Cross licensing arrangements will also be considered.

Write: Centralverwaltung Koenig oHG, 4803 Steinhagen/Westf., Germany. WTD. **P-70526.**

Materials handling firm, fastener concern interested in licensing arrangements

● Licenses to manufacture products in or associated with the storage and materials handling field are sought by a large British firm. The company currently produces slotted angle and boltless shelving, heavy duty storage equipment, venetian blinds and tube frame construction apparatus.

The firm employs around 1800, maintains six regional offices in the U.K. and has a network of 400 distributors. The company also has affiliates, licensees or distributors in over 100 foreign countries.

Write: Dexion Ltd., Dexion House, Empire Way, Wembley Park, Middlesex, England. WTD. **P-70521.**

● A British manufacturer of zipper fasteners seeks a license to make machinery for the production of nylon zippers. The firm has approximately 60 employees and operates a 10,000 sq. ft. facility.

Write: Ace Slide Fastener Co. Ltd., 11/12 Mallow St., London, E.C.2, England. WTD. **P-70522.**

'Investing in Hong Kong' subject of official's article

Foreign investors' skills, expertise, and positions in established markets are of greater interest in Hong Kong than the capital they might bring in, according to J. D. McGregor, Assistant Director of Hong Kong's Commerce and Industry Department in an article "Investing in Hong Kong."

The article discusses limitations as well as advantages of Hong Kong as a place to invest. McGregor states, "A foreign company with the right background and status could probably raise in Hong Kong most of the development capital it needs for an industrial operation here." Copies of the article can be obtained from the Far Eastern Economic Review, Ltd., 401-406, Marina House, Queen's Rd. C., Hong Kong, B.C.C.

Victoria construction firm interested in U.S. clients

A Victoria construction company seeks contracts with U.S. firms planning to establish plants in Australia with a view towards designing and building their facilities. The Australian concern is engaged in the complete architectural, engineering design and construction of industrial buildings and related offices, mainly in large single or two story structures. In recent years the firm has designed and built facilities for several American companies establishing operations in the State of Victoria.

The Australian firm is also interested in licenses to manufacture metal products in its fabricating department.

The concern's managing director plans to visit the U.S. around the middle of May and will be pleased to meet with interested American companies.

Write: A. R. Morgan, Managing Director, Andasteel Constructions Pty. Ltd., 297 Edwardes St., Reservoir, Victoria 3073, Australia. WTD. **P-70520.**

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Direct Sales

Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.

209 Food preparations

20943—BRAZIL—Animal fat, for use in soap manufacturing. First quality type with 5% maximum acidity; second quality type with 30% maximum acidity. Quantity desired: 600 tons, annually. Sabino Oliveira, Industrias, S.A. (importer, manufacturer), Avenida Senador Lemos 3153, Bairro Sacramenta, Belem, Para. WTD 3/70.

225 Knitting mills, products

22523—GERMANY—Ladies' finished and seamless hosiery; panty-hose. Requests price quotations c.i.f. Hamburg or Bremen. Irmgard Abels, Import eleganter Miederwaren (importer, distributor), 4 Duesseldorf-Kaiserswerth, An St. Swidbert 65. WTD 3/70.

227 Floor covering mills, products

22710—NETHERLANDS—Institutional floor coverings made of manmade fibers. Representations requested. Vendor N.V., Attn: A.W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

234 Women's, misses', children's, infants' under garments

23421—GERMANY—Elegant brassieres and bra-lettes. Requests price quotations c.i.f. Hamburg or Bremen. Irmgard Abels, Import eleganter Miederwaren (importer, distributor), 4 Duesseldorf-Kaiserswerth, An St. Swidbert 65. WTD 3/70.

23422—GERMANY—Elegant corsets, girdles, combinations, accessories. Requests price quotations c.i.f. Hamburg or Bremen. Irmgard Abels, Import eleganter Miederwaren (importer, distributor), 4 Duesseldorf-Kaiserswerth, An St. Swidbert 65. WTD 3/70.

237 Fur goods

23710—AUSTRIA—Dressed mink tails or mink tail collars. Tuchhaus Ferdinand Berger (importer, distributor, manufacturer, retailer, exporter), Praterstrasse 52, A-1020 Vienna. WTD in preparation.

259 Furniture, fixtures

25990—NETHERLANDS—All kinds of institutional furniture. Representations requested. Vendor N.V. Attn: A.W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

281 Industrial chemicals

● **28100—BURMA**—Various types of chemicals for paper mill. Rosin 135 tons, caustic soda (NaOH) for size preparation 11 tons, caustic potassium (KOH) for size preparation 11 tons, alum $Al_2(SO_4)_3$ 18 H_2O for sizing, 47 tons, polyacrylamid resin 45 tons, slime control agent 6.5 tons, dye 15 Kg., caustic soda (NaOH) 6,000 tons, sodium sulphide (Na_2S) 1,900 tons, bleaching powder 1,200 tons, alum $Al_2(SO_4)_3$ $18H_2O$ 2,000 tons, hydrochloric acid (HCL) 100 tons and felt washing agents for paper dept. 500 liters. Delivery during the month or months before July 1970. Tender No. 43(T)PD & CIB(S)70/809, bid deadline May 15. General Manager/Secretary Paper Factory and Chemical Industries Board, Rangoon, Burma. Tender information may be obtained from the Embassy of the Union of Burma, 2300 S St., NW., Washington, D.C. 20008 (202-332-9044). Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3465). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

28180—SWITZERLAND—Industrial chemicals for metal, leather, textile industries, incl. solvents. Frey & Co. (importer, distributor, agent), Burgauerstrasse 17, 9230 Flawil. WTD 3/69.

282 Synthetic materials

28213—GERMANY—Thermoplastic resins, all types, in form of granules or powder, virgin material. Direct purchase and agency. Overbeck & Co. (importer), 33 Breitenweg, P.O. Box 896, 28 Bremen 1. WTD 9/69.

28214—GERMANY—Thermosetting resins, all types, in form of granules or powder, virgin material. Direct purchase and agency. Overbeck & Co. (importer), 33 Breitenweg, P.O. Box 896, 28 Bremen 1. WTD 9/69.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28412—NETHERLANDS—Institutional detergents, other cleaning products. Representa-

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tions requested. Van Altena N.V., Attn: A. W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

28423—NETHERLANDS—Institutional specialty cleaning, sanitation products. Representations requested. Van Altena N.V., Attn: A. W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

289 Chemical products

28911—FRANCE—Special glues for metal, plastic. L'Hermetic (importer, distributor, manufacturer), 19, rue Aristide Briand, 94-Saint-Maur. WTD in preparation.

306 Fabricated rubber products

30694—NETHERLANDS—Institutional rubber type floor coverings. Representations requested. Vendor N.V., Attn: A. W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

314 Footwear, except rubber

31417—SPAIN—Ski boots, shoes. Deportes Diez (importer, distributor, retailer), Paseo de la Habana, 5, Madrid (16). WTD 4/70.

329 Nonmetallic mineral products

32970—FRANCE—High temperature resisting cement and coating. L'Hermetic (importer, distributor, manufacturer), 19, rue Aristide Briand, 94-Saint-Maur. WTD in preparation.

331 Steel mill products

● **33100—IRAN**—19 items steel wire ropes. Tender No. 14855; bid deadline June 10. National Iranian Steel Corp., Tehran. Copies of tender documents may be purchased from Iranian Economic Mission, 2233 Wisconsin Ave., NW., Washington, D.C. 20007.

● **33100—PAKISTAN**—112 tons steel plates of various sizes and thickness, according to ASTM Specification No. A-36. Tender No. PR-I/69/BR/1; bid deadline May 16. Railway Board, Lahore. Copies of tender documents available from Secretary, Railway Board, Government of West Pakistan, P.W.R. Headquarters, Room No. 19, Ground Floor, Empress Road, Lahore, West Pakistan.

33121—PAKISTAN—Desires quotations for 85,000 tons of hard coke, C. & F., Karachi. Supplier should state specifications and shipping dates. Payment in dollars upon presentation of documents. Mohamed Baksh & Sons (agent), 23 W. Wharf Rd., P.O. Box 4459, Karachi. WTD in preparation.

33126—TURKEY—Copper coated iron tubes for refrigeration purposes, various sizes. Termo Sogutma Sanayi ve Ticaret Adi Komandit Sirketi (manufacturer), c/o AKIMEX Koll. Sirketi, Tarlabasi Caddesi, Mis Sokak No. 40/1, Beyoglu, Istanbul. WTD in preparation.

33127—NETHERLANDS—Cold rolled steelplates for offset printing without flaws, free from deep milling stripes, without pinholes, completely flat, surface roughness 0.3-0.4 micron, thickness tolerances 0.02 mm; milling width up to 54 in., preferred quality ABSEDD. Grafimex-Europe N.V., Attn: J. Schwencke (manufacturer), 9 Groeneweg, Vijfhuizen, North Holland. WTD 4/70.

334 Secondary smelting, refining of nonferrous metals

33413—NETHERLANDS—Antimonial lead, for use in batteries. Sales territory Benelux countries. N.V. v/h KROON Accufabriek, Mr. A. Jongeneel, Gen. Mgr. (importer, distributor/exporter, manufacturer), P.O. Box 1, Bleskensgraaf. WTD 4/70.

335 Rolling, drawing, extruding of nonferrous metals

● **33500—BURMA**—Supply of wire cable. Bid deadline May 6, 1970; Tender No. MEIC/B.R./14/(T)45(E)69-70. Contact The Chairman, Union of Burma Railway Board, Bogyoke Aungsan St., Rangoon, Union of Burma.

● **33500—CYPRUS**—Aluminum conductor, bare, various sizes, 500,000 yds., and PVC, insulated, sheathed and non-sheathed, various sizes, 402,000 yds. Tender No. 87/1970; bid deadline May 18. Specifications available for £5 (approximately $12.00) from the General Manager, The Electricity Authority of Cyprus, P.O. Box 1466, Nicosia.

● **33500—ETHIOPIA**—Supply of low voltage underground cables. Bid deadline May 4. Contact Ethiopian Electric Light and Power Authority, P.O. Box 1233, Addis Ababa. Tender No. 33.20/75.

342 Cutlery, hand tools, general hardware

● **34200—BURMA**—Supply of padlocks G.I., with duplicate keys in following sizes and quantities: 3" 600; 2½" 400; 2" 200. Samples are to be sent with tender. Bid deadline May 7. Buyer is the Chairman, Union of Burma Railway Board, Rangoon. Copies of bid instructions available from Construction and Building Materials Division, BDSA-645, Room 4813, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), and the U.S. Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. (415-556-5868).

● **34200—MALAYSIA**—Supply of valves, hydrants, spun iron and cast iron pipes, ferrules and "waste-not" taps. Tender No. (6)DLM.-PKR.S.26/223/2; bid deadline May 18. The Director of Public Works, States of Malaya. P.W.D. Headquarters, Maxwell Road, Kuala Lumpur. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

346 Metal stampings

34618—NETHERLANDS—Institutional soap, paper towel and similar dispensers, particularly new developments in this field. Representations requested. Van Altena N.V., Attn: A. W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

347 Coating, engraving, allied services

34790—GERMANY—Chemicals for galvanizing. Prices c.i.f. Hamburg or Bremen. Direct purchase and agency. Herbert Schmidt (importer, distributor, manufacturer), 18-26 Schorberger Strasse, 565 Solingen-Ohligs. WTD 2/70.

349 Fabricated metal products

34944—SWITZERLAND—Electrohydraulic servo controls. Direct purchase and agency. Hypramag Ltd.; Attn: Oscar A. Koller (manufacturer, agent), Weinbergstrasse 131, 8042 Zurich. WTD 4/70.

352 Farm machinery

35227—SWITZERLAND—Garden tractors, 7 HP, manual start, suitable for mower, blade, snow thrower, other attachments, under $300 per unit, in lots of 50 and 100. Max Eschler, Urania Accessories; Attn: Max P. Eschler (importer, distributor, retailer), Badenerstrasse 288/296, 8021 Zurich. WTD 3/70.

353 Construction, mining, materials handling machinery

● **35300—MALAWI**—Five tandem drive motor graders, 125-156 BHP diesel engine; one crawler tractor, 180 BHP diesel engine, equipped with dozer and ripper; one crawler tractor, 125 BHP diesel engine, equipped with dozer and ripper; 300 cutting edges suitable for use on motor graders included in this bid. Tender No. 881; bid deadline May 8. Secretary, Malawi Government Tender Board, P.O. Box 588, Blantyre. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5566).

● **35300—TURKEY**—Drilling machinery and equipment, including one rotary type core-removing drilling machine with 1000 M capacity; 10 rotary type, core removing drilling machines with 400 M capacity; 170 core removers K_2 and T type; drilling rods, shell pipes, casing pipes and accessories, assorted diamond bits/crowns and crown carriers. Bid deadline May 20. Electric Power Affairs Research Administration, Gazi Mustafa Kemal Bulvari 19, Demirtepe, Ankara. Specifications available by airmail for $14 from the Modern Translation Bureau, Karanfil Sokak 49/2, Ankara.

● **35300—URUGUAY**—One hydraulic lifting platform, assembled on a light truck with pneumatic wheels with corresponding parts and accessories. Tender No. 10 B.I.D.; bid deadline May 15. Only firms or individuals established in Uruguay may participate in public bids; therefore, interested parties should enter bids through their Uruguayan agent or representative. Administracion Nacional de Puertos, Rambla Franklin D. Roosevelt N° 160, 3er. piso, Montevideo. Copies of specifications may be obtained from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

● **35300—URUGUAY**—30 complete battery trucks, assembled on wheels of solid rubber, with their storage batteries, tools and accessories for normal operation conditions, and according to the following details: 6 trucks with a carrying capacity of 2,000 kg., and a clearance of 2.40 x 1.20 meters; and 24 trucks with a minimum carrying capacity of 1,000 kg. and with a platform of 2.00 x 1.00 meters. Tender No. 13 B.I.D.; bid deadline May 21. Only firms or individuals established in Uruguay may participate in public bids; therefore, interested parties should enter bids through their local agents or representatives. Administracion Nacional de Puertos Rambla Franklin D. Roosevelt N° 160, 3er. piso, Montevideo. Specifications in Spanish are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

354 Metalworking machinery

● **35400—BURMA**—Two geared gap lathes

—12¼" swing over saddle, 31" swing over gap, 4'6" between centers; two shapers—18" ram stroke; and two universal millers—55" x 12" table. Tender No. CAP 44 (T) MCY/STB/69-70; bid deadline May 19. Chief Engineer, State Timber Board, Ahlone, Rangoon. Tender copies available from the Metalworking Equipment Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5652). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **35400—BURMA**—Cutting tools, including: 13 milling cutters, eight tap and die sets, 30 drill sleeves, 36 center drills, 24 dozen lathe tools, and 30 spanner sets. Tender No. 200/90; bid deadline Apr. 30. Direcotr-General, Mineral Development Corporation, Rangoon. Tender copies are available from the Metalworking Equipment Division, BDSA, Room 5890, Department of Commerce, Washington, D.C. 20230 ★(202-967-5652).

● **35400—BURMA**—Four gap lathes—12" swing over bed, 18" swing over gap, 24" between centers, 3 HP electric motor. Tender No. E-13 (Q) PWC/69-70; bid deadline May 5. Chairman, Public Works Corporation, No. 60, Schwedagon Pagoda Rd., Rangoon. Copies of specifications are available from Metalworking Equipment Division, BDSA, Room 5890, Department of Commerce, Washington, D.C. 20230 ★(202-967-5652). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94112 (415-556-5868).

35410—GERMANY—New and used metal cutting machine tools of all kinds. Requests price quotations c.i.f. Hamburg or Bremen. Direct purchase and agency. Wallenborn KG. (importer, distributor, exporter), 4 Duesseldorf, Markenstrasse 7-13. WTD 3/70.

35420—GERMANY—New and used metal forming machine tools of all kinds. Requests price quotations c.i.f. Hamburg or Bremen. Direct purchase and agency. Wallenborn KG. (importer, distributor, exporter). 4 Duesseldorf, Markenstrasse 7-13. WTD 3/70.

35453—ITALY—Equipment and attachments for metalworking machine tools of all types. Direct purchase and agency. C.A.M.A.R. (importer, agent), Corso F. Turati 82, 10134-Torino. WTD in preparation.

355 Special industry machinery

● **35500—AFGHANISTAN**—Supply and install equipment comprising a sour gas plant (for removal of sulphur from natural gas) and technical services during an initial period of operation of the plant. Tender No. 2019; no bid deadline has been set. Eng. Abdul Qudus Majid, Deputy Minister of Mines and Industries, Ministry of Mines and Industries, Kabul; or replies may be addressed to the Embassy, via: c/o Commercial Officer, Kabul-Dept. of State, Washington, D.C. 20521. Specifications are available on a short term loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

● **35300—SOUTH AFRICA**—Gas cleaning plant and ancillary equipment for blast furnace "D". The plant shall be designed for a normal throughput of 400,000 cub. meters per hour, measured at 16°C and 1.0 bars abs., of blast furnace gas. The bid deadline is July 6. The Head, Capital Buying, South African Iron and Steel Industrial Corporation, Ltd., P.O. Box 450, Pretoria, Transvaal. Tender documents are obtainable from the above address for $140, which will be refunded on receipt of a bona fide tender. Limited information is available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

35513—GERMANY—Semi- and fully-automatic packaging machines; also parts and attachments in single and assortment packagings for super-markets, department stores. Requests price quotations c.i.f. Hamburg or Bremen. Everhard Bauer, Spezialmaschinenfabrik (importer, distributor, manufacturer, exporter), 4790 Paderborn, Frankfurter Weg 21. WTD 3/70.

35591—HONDURAS—Equipment for manufacture of industrial and medical oxygen and chemical purification of water. Ali Yacub (importer, distributor, manufacturer), Avenida San Isidro, Apartado Postal 13, La Ceiba, Atlantida. WTD in preparation.

35591—INDIA—Complete plant for manufacture of nitrocellulose; both lacquer and explosive grades, with annual production capacity of 1,000 tons. All offers should be sent to H. D. Chowdhury, Chairman, no later than May 8, 1970, with a copy to Commercial Officer, American Consulate, 5/1 Harrington St., Calcutta. CIC Chemicals Private Ltd. (manufacturer), 6 Middleton St., Calcutta 16, West Bengal. WTD in preparation.

35593—TURKEY—Plastics working machinery and equipment for production of bottles for use in soft drink, other related industries. Daily capacity of 30,000 units specified. IBAK Ambalaj Sanayii Ltd., Sti., (manufacturer), Rihtim Caddesi, Liman Ticaret Han No. 15, Karakoy, Istanbul. WTD in preparation.

35595—HONDURAS—Machinery and equipment to manufacture suitcases. S. J. Panayotti, S. de R. L. (importer, manufacturer, retailer), P.O. Box 41, La Ceiba. WTD in preparation.

35595 — SWITZERLAND — Machinery for mass production of sunglasses as well as equipment for edging and shaping of lenses. Lunetta AG; Attn: Mr. Pluznik (manufacturer), Hohlstrasse 612, 8048 Zurich. WTD 3/70.

356 General industrial equipment

● **35600 — SINGAPORE** — 3 circulating water pumps, each capable of delivery 55,000 gallons-per-minute at a generated head of 39.5 feet together with associated pumphouse equipment; and 3,300 volt, 150 MVA airbreak switchgear and associated equipment. Tender No. EE 936.99; no bid deadline has been specified. Chief Electrical Engineer, Public Utilities Board, City Hall, Singapore 6, Singapore. Deposit for the tender documents for each item is S$1000, refundable on receipt of a bona fide tender. Limited information is available on a short term loan basis from the General Industrial Equipment Division, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-5585).

● **35600—SINGAPORE**—Supply, delivery and erection of pumping plant, Woodleigh extension scheme (Stage II) for the Water Department. Tender No. W.E. 923209; bid deadline May 20. The General Manager's Dept., Public Utilities Board (PUB), 1st Floor, City Hall, St. Andrew's Rd., Singapore 6. Tender documents available on payment of S$500/(S$3.03=US$1.00); deposit is to be made at the Finance Dept., PUB, above address.

● **35600—URUGUAY**—2 hydraulic jacks for lifting up to 10 tons each; 2 hydraulic jacks for lifting up to 5 tons each; and one machine for steam-cleaning motors and chassis. Tender No. 12 B.I.D.; bid deadline May 20. Only firms or individuals established in Uruguay may participate in public bids; therefore, interested parties should enter bids through their Uruguayan agents or representatives. Administracion Nacional de Puertos, Rambla Franklin D. Roosevelt N° 160, 3er piso, Montevideo. Specifications in Spanish are available on a short-term loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

358 Service industry machines

● **35800—KOREA**—Supply of 20 sets of vacuum cleaners, 115V, 60Hz, single phase, and 115V, 1.25 HP, AC and DC; also flying spot scanner, with complete accessories and instruction manuals. Tender No. KFX-0051-P1; bid deadline May 12. Invited by the Office of Supply, Government of the Republic of Korea, Seoul. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

35857—NETHERLANDS—Cryogenic equipment for storage, transportation and handling of liquefied gases; equipment for preservation of biological products in liquid nitrogen or dry ice (CO_2). Representations requested. Cryoson Technisch Laboratorium, Attn: H. Runge (importer, distributor, manufacturer), 112 Middenweg, Midden Beemster. WTD 4/70.

361 Electric transmission, distribution equipment

● **36100—ARGENTINA**—Supply of 30,000 electric meters for AC single-phase, active power, simple rate, with a watt-hour system, with a direct unipolar connection, 220V, 50 c/s, for SEGBA, government-owned electric utility. Tender No. 3059; bid deadline May 13. Conditions and complete technical specifications available, for 50 Argentine pesos (US $1.00 = 3.5 Argentine pesos), from SEGBA, Balcarce 184, "Compras Exterior," Buenos Aires, Argentina.

● **36100 — BURMA** — Supply of 30 voltmeters, "O" center, 3 VDC; 6 AVO heavy duty meters; 10 miners; 40 hydrometers; 2 chronocounters; 12 signal tracers; 12 signal injectors. Tender No. MEIC/BR/14 (T) 47 (ES-EW) 69-70; bid deadline May 7. Invited by the Government of the Union of Burma, Union of Burma Railway Board, Rangoon. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **36100—IRAN**—Supply 46 sets each, left and right switches of U-33 type with a radius of 190. Tender No. 1928/48; bid deadline May 18. The Iranian State Railways, Tehran, Iran. One copy of specifications available for review only at the Power & Electrical Equipment Division, BDSA, Room 5886C, Department of Commerce, Washington, D.C. 20230.

● **36100 — NEW ZEALAND** — Supply 1

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each 200 MVA 220/110/11 auto transfer bank and one spare unit for the new Plymouth Power Station. Tender No. 542; bid deadline June 3. The Secretary, Tenders Committee, New Zealand Electricity Dept., P.O. Box 12144, Wellington, North, New Zealand; specifications available from the Power & Electrical Equipment Division, BDSA, Room 5886C, Department of Commerce, Washington, D.C. 20230 ★(202-967-4241). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **36100 — THAILAND** — Supply 30/40 MVA OA/FA power transformer with load tap changing equipment including oil, cable compound lighting arrestors thermometer (image coil sysetm) for one phase only. Tender No. MEA-PSD-188; bid deadline May 29. Purchase & Stores Department, Metropolitan Electricity Authority, 121 Chakraphet Road, Bangkok 2, Thailand. Specifications available from the Power & Electrical Equipment Division, Room 5886C, BDSA, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4241).

36113—SWITZERLAND—Electronic measuring instruments for measuring electric quantity, charge amplifiers. Telemeter Electronic AG (importer, distributor, agent), Gerechtigkeitsgasse 25, P.O. Box 8027, Zurich. WTD in preparation.

366 Communications equipment

● **36600—ETHIOPIA**—Supply of four telephone toll exchanges for connecting telephones with planned microwave link. Tender No. 4/70; bid deadline July 18. Specifications may be obtained for $21, plus mailing charges, from the Imperial Board of Telecommunications, P.O. Box 1047, Addis Ababa.

● **36600 — KOREA** — Supply of vacuum tubes, transistors, video tape, tape recorders and spare parts. Tender No. KFX-0051-P1; bid deadline May 12. Supply of picabond connectors, lashing wire, copperweld or covered steel wire, cable pressure device, cable feeder, cable bender and air dryer for trouble shooting. Tender No. SLC-0052-P.II; bid deadline May 13. Copies of tender announcement and specifications are available from the Office of Supply, Government of the Republic of Korea, Seoul, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-4823).

36625—ITALY—Small dimension and easy to install ultrasonic detection systems and alarms (antitheft). Reer S.n.c. di Burnetti & C. (agent), Corso Regio Parco 42, 10153-Torino. WTD 3/70.

36626 — ITALY — Geophysical instruments. P.A.S.I.-Prodotti Apparecchi Scienze Industria s.r.l. (importer, manufacturer, agent), Via Goito 8, 10125-Torino. WTD in preparation.

367 Electronic components, accessories

36740 — SWITZERLAND — Integrated circuits. Telemeter Electronic AG (importer, distributor), Gerechtigkeitsgasse 25, P.O. Box 8027, Zurich. WTD in preparation.

369 Electrical machinery, equipment, supplies

36912 — NETHERLANDS — Battery plates, separators, containers and covers, antimonial lead. Sales territory Benelux countries. N.V. v/h KROON Accufabriek, Attn: A. Jongeneel, Gen. Mgr. (importer, distributor/exporter, manufacturer), P.O. Box 1, Bleskensgraaf. WTD 4/70.

381 Engineering, laboratory, scientific, research instruments

38112—ITALY—Physics and chemistry laboratory and scientific instruments as educational aids for high schools, universities. P.A.S.I.-Prodotti Apparecchi Scienze Industria s.r.l. (importer, manufacturer, agent), Via Goito 8, 10125-Torino. WTD in preparation.

38112—SWITZERLAND — Laboratory instruments, scientific instruments, calibration equipment. Telemeter Electronic AG (importer, distributor, agent), Gerechtigkeitsgasse 25, P.O. Box, 8027 Zurich. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

● **38200—BURMA**—Supply of 8 portable universal measuring instruments; 8 megger insulation and continuity testers; 8 earth testers; 8 portable tong testers; 20 draw vice and key; 4 electrical drill, ⅜" chuck; 8 stocks and dies; 8 refrigeration tool sets; 8 AC and DC portable volt meters; 4 AC and DC portable ammeters. Tender No. ESP-14 (Q) PWC/69-70; bid deadline May 5. Invited by the Government of the Union of Burma, Public Works Corporation, No. 60 Shwedagon Pagoda Road, Rangoon. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **38200—SINGAPORE**—Supply and delivery of ½-inch rotary piston type water meters (about 128,000 units) for three-year period 1971-73. Bid deadline has not been determined. Invited by the Mechanical Engineer, Water Department, Public Utilities Board, St. Andrew's Road, Singapore 6. Firms interested in tendering are asked to submit, without charge, 20 pieces of the meters they intend to offer, as samples for bench and field tests lasting about four months. Meters will be returned after tests are completed. Further particulars concerning specifications, procedure of tests, etc. may be obtained from above address.

38213—SWITZERLAND—Industrial process instruments, electronic, industrial telemetry. Telemeter Electronic AG (importer, distributor, agent), Gerechtigkeitsgasse 25, P.O. Box 8027, Zurich. WTD in preparation.

38216 — SWITZERLAND — Nuclear radiation counters, instruments for measuring, detecting radio activity. Telemeter Electronic AG (importer, distributor, agent), Gerechtigkeitsgasse 25, P.O. Box 8027, Zurich. WTD in preparation.

383 Optical instruments, lenses

● **38300 — BURMA** — Supply a universal nozzle microscope, overall size 12" x 12" x 15". Tender No. MEIC/BR/13 (T) 137 (ES) 69-70; bid deadline May 4. Invited by the Government of the Union of Burma, Union of Burma Railway Board, Rangoon. Terms and specifications available on loan basis from the Scientific and Business Equipment Division. BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

384 Surgical, medical, dental instruments

● **38400—PAKISTAN**—Supply of medical equipment including cataract knives; erisaphakes; intra capsulor forceps; trephine corneal grafts; scissors; corneal graft angled and desmarres knives; virgin silks; needle holders; suture forceps; elevators; dissector blunts; forceps; ophthalimdynamometers; spatulas; operating lamps; trial frames; tevyline and dressing trays. Tender No. S-4/475/69-70; bid deadline May 5. Invited by the Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2, East Pakistan—Cable: "SUPPLY," Dacca. Terms and specifications available on loan basis from the Scientific and Business Equipment Division. BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **38400—PAKISTAN**—Supply of hospital equipment including 3 blease fulmoflators; 4 pos.-neg. respiration pumps; 6 cyclators; 6 starling pumps; 2 ventilators, non anaesthetic; 24 cuffed tracheotomy tubes; 6 humidifiers; 7 suction cathetors; one ventilator complete set with anaesthetic apparatus; 3 open circuit paediatric sets. Tender No. S-4/476/69-70; bid deadline May 4. Invited by the Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2, East Pakistan—Cable: "SUPPLY," Dacca. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

384 Surgical, medical, dental instruments

38410—BRAZIL—Surgical and medical instruments, apparatus. NESAL Importadora e Exportadora Ltda. (importer, distributor), Rua Sacadura Cabral 87, Rio de Janeiro ZC-05 GB. WTD 11/69.

394 Toys, amusement, sporting goods

39493 — SPAIN — Baseballs, baseball bats, mitts, and gloves; ice skates, snow skis, other winter sports equipment. Deportes Diez (importer, distributor, retailer), Paseo de la Habana, 5, Madrid (16). WTD 4/70.

399 Manufacturing industries

● **39900—BURMA**—Supply of 160 foam type fire extinguishers; 120 liquefied CO_2 gas hand fire extinguishers of 2½, 5, 10, and 15 lb. capacities; one foam nozzle and branch pipe with 2½ hose connector; 4 foam compound four gallon tins; 150 re-fills for foam type f.e.; 30 re-fills for soda acid type f.e. Tender No. MEIC/BR/7 (T) 39 (E) 69-70; bid deadline May 8. Invited by the Government of the Union of Burma, Union of Burma Railway Board, Rangoon. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Depart-

ment of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

39960 — NETHERLANDS — Institutional hard surface floor coverings. Representations requested. Vendor N.V., Attn: A. W. ten Wolde (importer, distributor), 35 Nijverheidsweg, P.O. Box 45, Heemstede. WTD 3/70.

39996—GERMANY—Shearlings, white and colored. H. Fisker (importer, distributor, manufacturer), Am Bahnhof, 6456 Langenselbold. WTD 5/69.

39999—NETHERLANDS—Educational and visual aids for use in schools and industry, such as specialized mathematics, etc. Direct purchase and/or representation. Firma J. H. van der Griendt (distributor, agent), 36 Kruiswiel, Hendrik Ido Ambacht. WTD 3/70.

Transit shed at Pakistan port receives World Bank financing

The Board of Trustees of the Karachi Port Trust will invite tenders from civil engineering contracting firms for the construction of a single-story transit shed at Berth No. 23, West Wharves, under the Second Karachi Port Project. The transit shed will have a flat roof and will be constructed of reinforced and prestressed concrete; dimensions will be 550 feet long and 180 feet wide.

The Karachi Port Trust has received a loan from the World Bank amounting to the equivalent of $17 million for this undertaking and other works included in the Second Karachi Port Project. The proceeds of this loan will be applied to the payments to be made under this contract in foreign exchange. Tenderers will be required to state the amount of their total tender price, and a break-up of the local and foreign currency requirements. Each tender is to be accompanied by a cash deposit or tender bond for the sum of 75,000 rupees (4.76 rupees equal US$1).

A period of about 12 weeks will be allowed for bidding. The tenderers will be required to visit and inspect the site and obtain on their own responsibility and at their own cost all the information which they consider necessary for the purpose of tendering. Preliminary information can be obtained either from the Engineer-in-Chief, Construction Department, Karachi Port Trust, Karachi, or from Dr. -Ing Erich Lackner, Consulting Engineers, 282, Bremen Vegesack, Lindenstrasse 1A, West Germany.

The cost of each set of tender documents will be 720 rupees if purchased in Pakistan, and 600 D.M. (.366 marks equal US$1) if purchased from the consulting engineers in West Germany. This fee will not be refunded. The tender documents should be ready this June.

Contractors who wish to receive tender documents should apply to the Engineer-in-Chief, Construction Department, Karachi Port Trust, or to the consulting engineers, giving particulars of their financial resources and experience in similar works which they have performed. Tenders from firms who are not experienced in the type of work involved will not be considered.

The conditions of contract will generally be based on the standard form issued by the International Association of Consulting Engineers, with such modifications that are suitable for conditions in Pakistan. The tenderers will be required to quote unit rates or prices against the items of the bill of quantities which will be issued with the tender documents.

Two phases of Saudi Arabian College of Petroleum, Minerals soon to be up for tendering

Phases two and three of the Dhahran College of Petroleum and Minerals will soon be up for international tendering. The project, to be financed by the Saudi Arabia Ministry of Petroleum and Minerals, provides for the construction of nine buildings, composed of the following: laboratory and classroom buildings, library, faculty and student building, administration building, gymnasium and swimming pool facilities, auditorium, and mosque.

The buildings will be constructed of reinforced architectural concrete, using local sources of cement and aggregate. Specifications for these air-conditioned structures, including their mechanical and electrical systems, are written to American standards by the U.S. consulting engineering firm, Caudell, Rowlett and Scott, 1111 West Loop S., P.O. Box 22427, Houston, Texas 77027 (telegraphic address: CROSCOT).

U.S. construction firms interested in bidding on these buildings are asked to contact Joe Thomas of Caudell, Rowlett and Scott to prequalify. Tender documents are to be available as of May 1, and will cost $450 per regular-sized set, and $150 for the reduced-size set.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505, 843-2386.

ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

KANSAS CITY, MO., 64106, Room 1840, 601 E. 12th St. Area Code 816, 374-3141.

LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

MEMPHIS, TENN., 38103, 710 First American Bank Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave., Area Code 602, 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412, 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

XUM

Agencies

Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.

202 Dairy products

20232—MALAWI—Condensed milk, in consumer size packs, especially smaller sizes. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

203 Canning, preserving foods

20324—SWITZERLAND—Canned food specialties, in particular for hotel, institutional trade. Aux Planteurs Reunis SA (importer, distributor, agent), 2, Ave. J. J. Mercier, P.O. Box 1002 Lausanne. WTD in preparation.

20330—MALAWI—Canned foods, especially beans, tomato pastes, curries in smaller size cans. Price lists, catalogs with c.i.f. prices requested. Better and cheaper grades. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

20331—SWITZERLAND—Quality canned dietetic fruits, hotel and institutional size. Aux Planteurs Reunis SA (importer, distributor, agent), 2, Ave. J. J. Mercier, P.O. Box 1002 Lausanne. WTD in preparation.

20332—SWITZERLAND—Quality canned vegetables, large olives, in particular for hotel, institutional trade. Aux Planteurs Reunis SA (importer, distributor, agent), 2, Ave. J. J. Mercier, P.O. Box 1002 Lausanne. WTD in preparation.

221 Broad woven fabric mills, cotton

22110—MALAWI—Cotton textiles in the reel, all widths, qualities, colors; including "offcuts", factory rejects. Samples, price lists requested. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

22112—MALAWI—Men's and boys' jeans, western style, all colors (chiefly blue). Small quantities including seconds, rejects. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

232 Men's, youths', boys' furnishings, work clothing

23212—MALAWI—Men's, youths', and boys' T-shirts, all colors, sizes, including rejects; small orders. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

23292—MALAWI—Sports outerwear for men, youths, boys: cotton, laminated and foamed lumberjackets, stadium coats, and rainproof sports jackets, including seconds, rejects; smaller quantities, all sizes. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

262 Paper mills

26217—ITALY—Kraft liner in reels for corrugated cardboards. Mannocci, Romano (agent), Via Sarzanese, I 55050-Maggiano (Lucca). WTD 4/69.

266 Building paper, building board mills

26610—GERMANY—Construction materials. Prices c.i.f. Hamburg or Bremen. Horst Roeder Estriche (distributor, manufacturer, agent), 18 Tannenstr., 415 Krefeld. WTD 3/70.

281 Industrial chemicals

28130—PANAMA—Refrigerants, gases. Era, S. A. (importer, distributor, agent), P.O. Box 8412, Panama 12. WTD 9/69.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28445—MALAWI—Cosmetics: lipsticks, face creams, lotions, skin-lightening preparations for African complexions; better and cheaper grades. Catalogs, samples, price lists requested. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

287 Agricultural chemicals

28790—PAKISTAN—Insecticides. Request catalogs, quotations, c. & f., Karachi. Marghzar Industries Ltd. (agent), P.O. Box 2706, Karachi. WTD in preparation.

331 Steel mill products

33120—ENGLAND—All alloy steels and high-purity metals for atomic energy construction and aircraft industries. Bartella Ltd. (distributor, agent, exporter), 28/29 Dover St., London, W.1. WTD in preparation.

33122—PAKISTAN—Stainless steel ingots. Requests catalogs, quotations, c. & f., Karachi. Enterprises Neemacia (agent), Zamindar Bldg., Campbell St., Karachi. WTD 3/70.

342 Cutlery, hand tools, general hardware

34230—MALAWI—Hand tools for building, carpentry, auto maintenance in sets or separate; better and cheaper grades. Catalogs, price lists requested. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

352 Farm machinery

35224—BELGIUM—Harrows, farm and attachments; plows, listers and attachments. Charrues Dethy S.A. (distributor, manufacturer), 62 Chaussee de Charleroi, 5800 Gembloux. WTD 4/70.

353 Construction, mining, materials handling machinery, equipment

35316—GERMANY—Small construction machinery. Prices c.i.f. Hamburg or Bremen. Horst Roeder Striche (distributor, manufacturer, agent), 18 Tannenstr., 415 Krefeld. WTD 3/70.

35317—PAKISTAN—Tractor-shovel loaders, wheel and track-laying. Requests catalogs, quotations, c. & f., Karachi. Groupe Marketing Ltd. (agent), Premier Insurance Bldg., Wallace Rd., Karachi-2. WTD 1/68.

35318—PAKISTAN—Cranes, construction machinery for mounting on tractors. Requests catalogs, quotations, c. & f., Karachi. Groupe Marketing Ltd. (agent), Premier Insurance Bldg., Wallace Rd., Karachi-2. WTD 1/68.

35319—PAKISTAN—Dredging machinery, hydraulic and others. Requests catalogs, quotations, c. & f., Karachi. Groupe Marketing Ltd. (agent), Premier Insurance Bldg., Wallace Rd., Karachi-2. WTD 1/68.

35350—ENGLAND—Equipment for the pneumatic or mechanical bulk handling of powder, for use on roads and in factories. Interconsult (London) Ltd. (importer, manufacturer, exporter), Buckingham Ave., Trading Estate, Slough, Buckinghamshire. WTD in preparation.

354 Metalworking machinery

35411—ISRAEL—Boring machines for metalworking industry, horizontal/vertical, manual/automatic, latest sophisticated types. Exclusive agency. Arnold Trading Co. Ltd. (distributor, agent), 17 Massaryk Blvd., P.O. Box 23142, Tel Aviv. WTD 2/69.

35412—ISRAEL—Drilling machines, horizontal/vertical, manual/automatic. Exclusive Agency. Arnold Trading Co. Ltd. (distributor, agent), 17 Massaryk Blvd., P.O. Box 23142, Tel Aviv. WTD 2/69.

35414—ISRAEL—Grinding, polishing and buffing machines, latest sophisticated types. Exclusive agency. Arnold Trading Co. Ltd. (distributor, agent), 17 Massaryk Blvd., P.O. Box 23142, Tel Aviv. WTD 2/69.

35415—ISRAEL—Lathes for metalworking industry, manual/automatic, latest sophisticated types. Exclusive agency. Arnold Trading Co. Ltd. (distributor, agent), 17 Massaryk Blvd., P.O. Box 23142, Tel Aviv. WTD 2/69.

35416—ISRAEL—Milling machines, latest sophisticated types, for metalworking industry. Exclusive agency. Arnold Trading Co. Ltd. (distributor, agent), 17 Massaryk Blvd., P.O. Box 23142, Tel Aviv. WTD 2/69.

35424—GERMANY—Technical articles for steel and sheet-metal processing. Schepper KG (wholesaler), 593 Huettental-Weidenau. WTD 3/70.

35482—MALAWI—Tools, hand-operated, power driven, for all metal and carpentry work (220/240 cycles electric current). Catalogs, price lists requested. Chemipak Sales (Blantyre) Ltd. (agent), P.O. Box 1047, Blantyre. WTD in preparation.

355 Special industry machinery

35551—AUSTRIA—Roll or web-fed rotary letterpresses; web-fed gravure presses; web-fed offset lithographic presses; all machines for use in small or medium-sized printing establishments. Georg Sailer, Handel mit graphischen Maschinen (importer, distributor, retailer), Shuttleworth-Strasse 19, A-1210 Vienna. WTD in preparation.

35552—AUSTRIA—Photographic type setting machines; photoengraving and lithographic platemaking equipment; paper cutting machines; folding, gathering, inserting, and ruling machines; related equipment for use by small and medium-sized printing and binding establishments. Georg Sailer, Handel mit graphischen Maschinen (importer, distributor, retailer), Shuttleworth-Strasse 19, A-1210 Vienna. WTD in preparation.

35595—ENGLAND—Machinery for production of nylon zippers. Ace Slide Fastener Co. Ltd. (manufacturer, exporter), 11-12 Mallow St., London, E.C.1. WTD in preparation.

358 Service industry machines

35852—ANGOLA—Room air conditioners. Exclusive representation. Alianca Comercial, Lda. (importer, distributor, retailer), P.O. Box 643, Luanda. WTD in preparation.

35854 — VENEZUELA — Compressors for household refrigerators. Correspondence requested in Spanish. Alpin de Venezuela, C.A. (importer, agent), Edf Galerias Venecia, N°53-A, Caracas. WTD 4/70.

361 Electric transmission, distribution equipment

36110 — GERMANY — Apparatus and parts for electronic industry. Prices c.i.f. Hamburg or Bremen. Ingenieurbuero Pieper (importer, agent), 52 Hainallee, 46 Dortmund. WTD 3/70.

36112—NETHERLANDS — Automatic digital frequency meters, square wave pulse generators, other electronic measuring and control equipment, instruments and components for scientific research purposes; microwave equipment, instruments and components; other electronic measuring and control equipment. Exclusive representation and/or licensing/assembly arrangements in Benelux countries, possibly West Germany. N. V. Technische Handelsonderneming "COIMEX-VLAARDINGEN", Attn: P. van Nederpelt, Sales Engineering Mgr. (importer, distributor/exporter), 11 Veldweg, Hattem. WTD 4/70.

36112 — PAKISTAN — Test equipment for testing electrical, radio, communication circuits, motors. Requests catalogs, quotations, c. & f., Karachi. Enterprises Neemacia (agent), Zamindar Bldg., Campbell St., Karachi. WTD 3/70.

362 Electrical industrial apparatus

36212 — PAKISTAN — Generators, integral horsepower other than land transportation. Requests catalogs, quotations, c. & f., Karachi. Enterprises Neemacia (agent), Zamindar Bldg., Campbell St., Karachi. WTD 3/70.

36213—PAKISTAN—Generators and electrical motors for land transportation equipment. Requests catalogs, quotations, c. & f., Karachi. Enterprises Neemacia (agent), Zamindar Bldg., Campbell St., Karachi. WTD 3/70.

363 Household appliances

36331 — VENEZUELA — Electrical motors, spare parts for household washing machines. Correspondence requested in Spanish. Alpin de Venezuela, C.A.-Avda Francisco de Miranda (importer, agent), Edif. Galerias Venecia, Apto. 53-A, Caracas. WTD 4/70.

365 Radio, television receiving sets

36514 — SWITZERLAND — Competitively priced recorders, tuners, other audio (hi-fi) equipment and accessories. Cida Electra SA (importer, distributor, agent), Ave. Ruchonnet 2, 1000 Lausanne. WTD in preparation.

36515—SWITZERLAND—Amplifiers, speakers, audio equipment, accessories. Cida Electra SA (importer, distributor, agent), Ave. Ruchonnet 2, 1000 Lausanne. WTD in preparation.

367 Electronic components, accessories

36741 — SWITZERLAND — Integrated circuits. CHC, Hutterli & Co. (importer, distributor, agent), Wasenstrasse 4, 2502 Biel. WTD in preparation.

36749—SWITZERLAND — Semiconductors. CHC, Hutterli & Co. (importer, distributor, agent), Wasenstrasse 4, 2502 Biel. WTD in preparation.

36795—SWITZERLAND — Advanced electronic components, accessories. CHC, Hutterli & Co. (importer, distributor, agent), Wasenstrasse 4, 2502 Biel. WTD in preparation.

372 Aircraft, parts

37224—PAKISTAN—Aircraft engine parts and accessories. Requests catalogs, quotations, c. & f., Karachi. Groupe Marketing Ltd. (agent), Premier Insurance Bldg., Wallace Rd., Karachi. WTD 1/70.

37291—PAKISTAN—Aircraft parts and auxiliary equipment. Requests catalogs, quotations, c. & f., Karachi. Groupe Marketing Ltd. (agent), Premier Insurance Bldg., Wallace Rd., Karachi. WTD 1/70.

381 Engineering, laboratory, scientific research instruments

38112—THAILAND—Artificial kidney machine. Request catalogs, brochures, c.i.f. Bangkok prices. Semco Co., Ltd. (importer, distributor), 999-1001 Silom Rd., Bangkok. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

38213—NETHERLANDS—Electronic measuring & control equipment, instruments and components for the process industries. Exclusive representation and/or licensing/assembly arrangements in Benelux countries, possibly Germany. N. V. Technische Handelsonderneming "COIMEX-VLAARDINGEN", Attn: P. van Nederpelt, Sales Engineering Mgr. (importer, distributor/exporter), 11 Veldweg, Hattem. WTD 4/70.

38216—NETHERLANDS — Nuclear instruments for process control & measurement. Exclusive representation and/or licensing/assembly arrangements in Benelux countries, possibly Germany. N. V. Technische Handelsonderneming "COIMEX-VLAARDINGEN", Attn: P. van Nederpelt, Sales Engineering Mgr. (importer, distributor/exporter), 11 Veldweg, Hattem. WTD 4/70.

386 Photographic equipment

38612 — SWITZERLAND — Photocopying equipment. Mikrofilma, Thierstein & Co. (importer, distributor, agent), Gartenstadtstrasse 17, 3098 Koniz-Bern. WTD 1/69.

38613—SWITZERLAND — Eight mm and super 8 movie viewers; projection screens for amateur use. BEFFA; Attn: Mr. Niederer (importer, distributor, agent), Winterholzstrasse 55, 3018 Bern. WTD in preparation.

38614 — SWITZERLAND — Microfilming equipment. Mikrofilma, Thierstein & Co. (importer, distributor, agent), Gartenstadtstrasse 17, 3098 Koniz-Bern. WTD 1/69.

38617—SWITZERLAND—Photocopy paper. Mikrofilma, Thierstein & Co. (importer, distributor, agent), Gartenstadtstrasse 17, 3098 Koniz-Bern. WTD 1/69.

394 Toys, amusement goods

39410—MALAWI—Toys, games for children and families, mechanical or other. Catalogs, prices requested. Chemipak Sales (Blantyre) Ltd., (agent), P.O. Box 1047, Blantyre. WTD in preparation.

399 Manufacturing industries

39991 — PAKISTAN — Fire extinguishing equipment. Request catalogs, quotations, c. & f., Karachi. Marghzar Industries Ltd. (agent), P.O. Box No. 2706, Karachi. WTD in preparation.

39999 — THAILAND — Synthetic hair for making wigs. Exclusive agency. Requests price list, samples. Thai Wig Industrial Co., Ltd. (manufacturer, exporter), 154/2-3 Silom Rd., Bangkok 5. WTD in preparation.

Visiting Buyers and Officials

ECUADOR—Edwin Reyes E., representing his own firm, Calle Bolivia y Avenida America 1002, Quito, **interested in direct purchase of U.S. machinery for manufacturing automotive vehicle filters, shock absorbers, metal screws or manufacturing under license the above equipment, and requesting technical information.** Apr. 14 via Miami for 1 mo. c/o Mrs. Gloria Reyes, 1534 N. 16th Road, Apt. 8, Arlington, Va. 22209 or Mrs. Ramona Rodriguez, 44th and Lake Sts., North Lake, Ill. 60164. Itinerary: Chicago, Washington, D.C., Los Angeles. WTD in preparation.

GERMANY—Reinold Weber, Reinold Weber Architektur-und Ingenieurbuero (Engineering and Architectural Office), 4 August Siebert-Strasse, Frankfurt/Main, **interested in studying electronic integration in warehouse operations, exchange of know-how.** May 1 via Houston for 2 weeks. c/o Dept. of Commerce Field Offices en route. Itinerary: Houston, Chicago, Rockford, Mich., New York. WTD in preparation.

GERMANY—Bernhard Wenzel, Boellhoff & Co., 1-4 Archimedesstrasse, 4812 Brackwede, **interested in licensing agreements with U.S. manufacturers of industrial fasteners and in offering licenses for air operated pumps under U.S. patents.** May 1 via New York for two weeks. c/o Helicoil Corp., Danbury, Conn. Itinerary: New York, Chicago, Detroit, Los Angeles. WTD 10/67 under revision.

ISRAEL—Dr. Isaac Teich, OPIT (Teich) Ltd., 12 Petah Tikva Road, Tel Aviv, **interested in welding transformers especially up to 250 watts, small to large motor driven generators, woodworking and metalworking machinery (not sheet metal).** Apr. 28 via New York for indefinite stay. c/o Rudor M. Teich, 245 E. 25th St., New York, N.Y. 10010. Itinerary: as required. WTD 7/66 under revision.

PAKISTAN—Aminul Haque, Laddla Bros., 16 A Jinnah Ave., Dacca 2, East Pakistan, **interested in agencies for U.S. industrial and agricultural chemicals and fertilizers and in exporting fresh, frozen and dry fish, shark fins, other marine products.** 1st week of May via New York for 10 days. c/o Emdadur Rahman, Accountant, National Bank of Pakistan, 37 Wall St., New York, N.Y. 10005. Itinerary: New York, San Francisco, Honolulu. WTD in preparation.

URUGUAY—Hermann Krymolowski, Refrig-

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eration Frielectric S.A., Mercedes 783, Montevideo, **interested in direct purchase and agency agreements for U.S. new refrigeration equipment and requesting technical information.** Apr. 12 via Los Angeles for 1 mo. c/o Herman Krim, 748 North La Jolla Ave., Los Angeles, Calif. 90046. Itinerary: Los Angeles, San Francisco, Chicago, New York. WTD in preparation.

Leads for Importers

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399 Manufacturing industries

39999 — IVORY COAST — African masks, sculpture, drums, hand-made pagnes, etc. from Ivory Coast, Upper Volta, Mali, Nigeria, Cameroon. Willing to travel to New York to show samples. Requests replies in French. Ets Teha Glou Martin (exporter), Boite Postale 8889, Cocody, Abidjan. WTD in preparation.

Singapore to undertake project of reclamation, construction

The Government of Singapore is requesting tenders for work involving reclamation of approximately 160 acres of foreshore, and the construction of approximately 1½ miles of sea revetment and approximately 1½ miles open drains and outfalls.

The deadline for bids has been set as May 6, 1970. The contracting agency is the Building Department, 3rd Floor, Princess House, Queenstown, Singapore 3.

Tender forms and other particulars are obtainable on payment of Cost of Hiring Tender Documents (S$50), and Tender Deposit (S$500) which is refundable. (S$3.03 equals US$1.)

Contractors who have not executed any work for this agency should furnish the required particulars on past experience in similar work before collecting the documents.

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Trinidad agency wants supply of lighting equipment, poles

The Purchasing Officer, Trinidad and Tobago Electricity Commission, Box 121, Port of Spain, Trinidad, W.I., has issued requests for quotations as follows. Tender No. 1916: 1,000 each eye bolts, ⅝" diameter. Tender No. 1917: 20,000 street lighting neutral connectors. Tender No. 1918: 100 each 18' pike poles. Tender No. 1919: 100 each digging scoops. Tender No. 1920: 4 each wire outdoor H.V. metering units (outfits). The bid deadline is May 29.

Specifications are available from the Power & Electrical Equipment Division, BDSA, Room 5886C, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4241). A copy is also available for review at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

Argentina asks for tenders on laying electric utility line

Electricidad de Misiones S.A., an electric utility company in the Province of Misiones, Argentina, invites bids for the laying of a 219-kilometer high tension line of 132 kv. between the towns of Eldorado and Posadas, with an extension to the town of Obera. The tender includes the preparation of the terrain, construction of access roads as needed, the supply of the line material, plus the start-up of the line.

The budget for this project, which is to be financed by an Inter-American Development Bank loan, is 8,622,500 Argentina pesos (US$1 equals 3.50 Argentine pesos).

The deadline for submission of bids is May 12, 1970. Correspondence is preferred in Spanish. Copies of conditions are available for 300 Argentine pesos from Electricidad de Misiones S.A., Ayacucho 417, Posasas, Misiones.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

AUSTRALIA—Ray O'Connor, Minister for Railways and Transportation in Perth, has announced that the State Government is spending $1.4 million to **enlarge the Port of Esperance,** with harbour works and a second land-backed berth. Tenders will be called in June, and the contract is scheduled to be finished by the end of 1971, to make a total wharf space of 1,500 ft. with 40 ft. of water at the berth.

AUSTRALIA — The Experance-Kalgoorlie Railway has announced a $10.5 **rebuilding program.** The sections of the Esperance line involved are: (1) the Widgiemooltha to Experance portion, to be started without delay, which will be upgraded as a narrow gage railway at a cost of some $4.5 million; (2) the new standard-gage connection which would give a direct link from Kalgoorlie to Kambalda at a cost of about $6 million; (3) the conversion of the entire route to standard gage, via Kambalda and Lake Lefroy, at an estimated cost of $17 million.

CANADA—The Mar. 23 edition of the *Journal of Commerce*, a weekly commercial paper published in Vancouver, British Columbia, reported an announcement by Housing Minister Robert Andras that a $5,170,000 federal loan for first stage construction of a $10 million **student housing project** at the University of British Columbia in Vancouver had been given. The first stage, to be built by Frank Stanzl Construction Co., Ltd., 6549 Fraser, Vancouver, B.C., includes two 15-story towers accommodating 788 students in single rooms, and a 22,710 square foot commons block. It is due for completion in September 1971. Later stages include two three-story units containing 143 one-bedroom suites; another 15-story structure; and a 32,430 square foot garage. This project was designed by Architects Reno C. Negrin and Associates, 626 Bute, Vancouver, B.C. Consulting engineers are: (for structural)—Read Jones Christoffersen Ltd., 1161 Melville, Vancouver, B.C.; (for electrical)—Aronld Nemetz Engineering Ltd., 2083 W. 4th, Vancouver, B.C.; and, (for mechanical)—Park and Djwa Engineering Co., 1107 Seymour, Vancouver, B.C.

GERMANY—The Holiday Inns of America Inc. has announced plans to construct, with the Hamburg "Intermotel", **a 600 bed hotel near Hamburg's Elbe bridges.** The Hamburg Holiday Inn is intended to be a first-class, but not a luxury hotel. Construction costs are estimated at $3.3 million. However, the costs for the property are not included. Approximately 10,000 square meters will be required for the hotel. Architectural designs for the hotel are expected to be ready in May, after the city of Hamburg receives from well-known architects designs for the whole area.

NEW ZEALAND—J. C. Fletcher, Chairman of the Board of Directors of Tasman Pulp and Paper Co., Ltd., Kawerau, Bay of Plenty, announced on Mar. 12 that a **$35 million expansion program** for the company was being put into effect. This expansion concerns the installation of a new sulphate mill to give the company an additional annual capacity of 105,000 tons of unbleached, semi-bleached and fully bleached pulp. This program is intended to be completed by late 1973 and will double the present pulp capacity of the company giving around 160,000 tons annually. Tasman Pulp and Paper is also considering a third newsprint machine (Number 1 is a Walmsley and Number 2 a Beloit-Walmsley). The installation of the third machine is dependent on negotiations in Australia for the sale of additional newsprint and on the result of a combined tender submitted by Tasman Pulp and Paper Co., Ltd., N.Z. Forest Products Ltd., and Fletcher Holdings Ltd., for wood from the Kaingaroa State Forest, which is owned and operated by the State Forest Service of the New Zealand Government. Should this tender fail, plans for an additional machine will be put back to the 1980's.

New Books and Reports

***Market Power and the Law.* OECD, Paris. 206pp. $4.80.**

This report, which was prepared by the OECD Committee of Experts on Restrictive Business Practices, deals with the legal attitudes toward the control of market power and the techniques employed in OECD member countries and the European Communities. In addition, some information is included on the relevant EFTA provisions and experience. The report generally reflects the position as of May 1969.

The Committee says that it considered that publication of this report appeared opportune in view of the particular concern of most Member countries with the control of market power under their restrictive business practices laws and the growing importance in recent years of larger enterprises and economic concentration.

The Committee also reports that it was aware that a study of the control of market power which confines itself to legislation concerning restrictive business practices covers but one aspect of a complex problem. Nevertheless, it has attempted, in the Introduction and in the Summary and Conclusions, to draw attention to the other, particularly the economic, aspects of business power and its control.

Write: Organization for Economic Cooperation and Development Publications Center, Suite 1305, 1750 Pennsylvania Ave., NW., Washington, D.C. 20006.

***The Multinational Corporation.* By Sidney E. Rolfe. Foreign Policy Assn., New York. $1.**

The author attempts to explain why companies become multinational, how they got there, the consequences of multinational activity and the complex response of host countries, both developed and underdeveloped.

Although, in Professor Rolfe's words, the multinational corporation is "neither a new phenomenon nor primarily American" its recent rapid growth and the economic and political consequences of this growth require careful study by international businessmen.

"The available data," he summarizes "show a remarkable increase in direct investment abroad by nations in continental Europe" and he predicts that the 1970's "are apt to be characterized by rapidly increasing European and Japanese direct overseas investments, particularly in the United States." With this prospect in mind, he surveys the economic and political consequences of the multinational corporation and offers his thoughts on its future impact.

Write: Foreign Policy Association, 345 East 46th St., New York, N.Y. 10017.

***Regional Development Banks.* By Manmohan Singh January issue of *International Conciliation*. 83pp. 60 cents.**

The Inter-American, African, and Asian Development Banks, as well as several subregional development banks in Africa and Latin America, all began operations only in the last decade.

What effect have the new banks had on the volume and terms of external financing available to developing countries? Have they been able to mobilize local capital? Do their activities in fact promote regional economic cooperation? Have the major international financial agencies adapted their policies in response to earlier criticism?

Dr. Singh considers all of these controversial questions and examines the possibilities of several special functions that might be carried out by the regional development banks in the future.

Write: Carnegie Endowment for International Peace, United Nations Plaza at 46th St., New York, N.Y. 10017.

***Annual Report for 1969.* Asian Development Bank, Manila. 106pp.**

The third year of the Bank's operations saw it more than double its lending activity of the previous year, institute 'soft' loans with the aid of more liberally granted members' contributions, and floated its first loan issue to establish its credit.

Write: Asian Development Bank, Manila.

***Markets for Oriental Carpets.* Three vols. Published by the International Trade Center, UNCTAD/GATT, Geneva. 735pp. $15 ($5 per vol.).**

Vol. I: General synthesis and EEC markets, 283pp.

Vol. II. Selected EFTA markets, 298 pp.

Vol. III: Selected non-European markets—United States, Canada, Australia, 154pp.

Write: International Trade Center UNCTAD/GATT, Palais des Nations, 1211 Geneva 10, Switzerland.

INTERNATIONAL MARKETING INFORMATION SERVICE

Latest IMIS reports are:

Exhibitor's Export Market Guides (*for U.S. Trade Center shows and special exhibits*): Stockholm—Advanced reprographic equipment, June 10-16, IMIS 70-6. 8pp. 10 cents.

Copenhagen — Printing, bookbinding, and food processing and packaging equipment, Nov. 17-22, IMIS 70-7. 5pp. 10 cents.

Tokyo—Metal processing equipment, July 13-18, IMIS 70-8. 4pp. 10 cents.

Frankfurt airport—Air cargo equipment. Sept. 15-20, IMIS 70-10. 7pp. 10 cents.

Paris—International Packaging Exhibition, Nov. 9-15, IMIS 70-11. 4pp. 10 cents.

Stockholm—Environmental test equipment, Sept. 28-Oct. 3, IMIS 70-13. 3pp. 10 cents.

Milan — Production equipment and materials for hybrid circuits, Sept. 5-10, IMIS 70-16. 4pp. 10 cents.

Dusseldorf—Oceanology equipment at Interocean '70, Nov. 10-15, IMIS 70-17.

Country Market Digests. Best U.S. sales prospects in Colombia, IMIS 69-32. 8pp. 10 cents.

Best U.S. sales prospects in East Africa, IMIS 69-33. 23pp. 10 cents.

Best Prospects for U.S. sales to Korea, IMIS 69-34. 10pp. 10 cents.

Best U.S. sales prospects in Libya, IMIS 70-101. 9pp. 10 cents.

Best U.S. sales prospects in Yugoslavia, IMIS 70-102. 8pp. 10 cents.

Best U.S. sales prospects in Austria, IMIS 70-103. 6pp. 10 cents.

IMIS reports are available from Commerce Field Offices or from Sales & Distribution Branch, Room 2119, Department of Commerce, Washington, D.C. 20230.

***Spain: Economic Survey:* OECD, Paris. January 1970. 79pp. 80¢.**

Outlines Spanish economic developments since the 1967 devaluation, the nation's fiscal and monetary policies, recent trends and short term prospects, the balance of payments, budget and price and income policies, and presents its conclusions.

Write: OECD Publications Center, Suite 1305, 1750 Pennsylvania Ave., NW., Washington, D.C. 20006.

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Calendar *for international traders*

CINCINNATI—May 14—Businessmen's consultations with Patrick M. O'Leary, Director of Procurement, AID. Commerce Field Office.

CHICAGO — May 14 — International Trade Club of Chicago luncheon, LaSalle Hotel.

CHICAGO—May 18—Ocean Freight Agents Association's World Trade Week Luncheon, Illinois Athletic Club.

CLEVELAND—May 6—Export sales seminar, 10 a.m.-noon, Commerce Field Office.

DAYTON—May 6—Seminar on International Business Problems, third of five weekly sessions at the U. of Dayton. Subject: Problems in licensing. Sponsors: U. of Dayton, Dayton Chamber of Commerce, REEC, Commerce's Cincinnati Field Office.

DECATUR, ILL.—May 19—Export seminar sponsored by the Decatur Chamber of Commerce, Illinois Dept. of Business and Economic Development, Commerce Dept.'s Chicago Field Office.

DETROIT—May 5—Export workshop, Commerce Field Office, 533 Federal Bldg., 10 a.m.

DETROIT—May 21—World Trade Club of Detroit, Pick-Fort Shelby Hotel, 6 p.m.

FARGO, N.D.—May 4—Export Expansion Conference. Biltmore Motel, noon. Sponsors: Fargo Chamber of Commerce, North Dakota Business and Industrial Development Dept., Greater North Dakota Assn., REEC, Commerce's Minneapolis Field Office.

GARY, IND.—May 20—Export seminar sponsored by the Gary Chamber of Commerce, Indiana Dept. of Commerce, and Commerce's Chicago Field Office.

GRAND RAPIDS—May 22—Monthly meeting of Western Michigan Trade Club, 6 p.m., Spring Lake Country Club.

GRANITE CITY, ILL.—May 12—Tri Cities Port Authority Export Conference at Granite City Army Depot. 11 a.m.-4 p.m. Sponsors: Chamber of Commerce, State of Illinois, and Commerce's St. Louis Field Office.

HONOLULU — May 20 — "How to Get Started in Export-Import" workshop, 10 a.m., Commerce Field Office.

JEFFERSON CITY, MO.—May 13—Export luncheon/workshop at Jefferson City Country Club. Sponsors: Fabick & Co., REEC, and Commerce's St. Louis Field Office.

LOS ANGELES—May 19—Export seminar, L.A. City Hall. Sponsor: Export Managers Assn. of Southern California and the Mayor's City Economic Development Board.

LOUISVILLE—May 13—Fifth Annual Ohio Valley International Trade Conference, celebrating World Trade Week. Executive Inn, Louisville, Ky., 9 a.m. **Commerce Speakers: Robert W. McLellan, Deputy Asst. Secretary of Commerce for Business Development, and Robert E. Simpson, Director, OIRE.** Sponsors: Kentuckiana World Commerce Council (KWCC), REEC, Cincinnati Field Office.

MARION, ILL.—May 20—Export luncheon/workshop at Holiday Inn. Sponsors: Fabick Machinery Co., REEC, Commerce's St. Louis Field Office.

MEMPHIS—May 12—Export Workshop, Lykes Bros. Steamship office. Sponsors: REEC and Field Office.

MEMPHIS—May 20—Forum on Africa, Albert Pick Motor Inn, Sponsors: Mid-South Exporters' Roundtable, REEC, Commerce Field Office.

MILWAUKEE—May 20—Sixth Wisconsin Annual International World Trade Conference. Hotel Pfister. All day. Sponsors: Wisconsin REEC, Milwaukee World Trade Club Inc., Metropolitan Milwaukee Association of Commerce, Commerce Field Office.

MINNEAPOLIS—May 6—Patent & Trademark Protection Abroad. Field Office, 3-5 p.m. Speaker: Paul Welter, Merchant & Gould. Sponsors: REEC, Field Office.

MINNEAPOLIS—June 3—Int'l Advertising & Sales Promotion. Field Office, 3-5 p.m. Speaker: Alex Olivera, Gray Company. Sponsors: REEC, Commerce Field Office.

MUNCIE, IND.—May 6—Export seminar sponsored by the Indiana Dept. of Commerce, Muncie Chamber of Commerce, and Commerce's Chicago Field Office.

NASHVILLE—May 21—Forum on Africa, Statler-Hilton Motel. Sponsors: Middle Tennessee Exporters' Roundtable, REEC, Commerce's Memphis Field Office.

NEW ORLEANS—May 20—World Trade Week luncheon, noon, Plimsoll Club. Sponsors: Export Managers Club of New Orleans, Louisiana-Mississippi REEC, Commerce Field Office. Speaker: Robert R. Barkerding, Sr., Executive Director of the Port of New Orleans.

PHOENIX—May 19 and May 21—In-office workshop, Commerce Field Office, 10 a.m.-noon. Sponsors: REEC, Field Office.

QUINCY, ILL. — May 6 — Export luncheon/workshop at Gardner Denver Co. Sponsors: REEC and Commerce's St. Louis Field Office.

ST. LOUIS—May 5—"Show You" Export Workshop, Federal Building. 2 p.m. Sponsors: World Trade Club, REEC and Commerce Field Office.

ST. LOUIS—May 14—Export luncheon/workshop at Stadium Club. Sponsors: Pacific Intermountain Express, REEC, and Commerce Field Office.

ST. LOUIS—May 19—World Trade Week luncheon, Stouffer's Riverfront Inn. Sponsors: Chamber of Commerce, World Trade Club, REEC, and Commerce Field Office.

SALEM, ILL.—May 15—Export luncheon/workshop at Salem Elks Club. Sponsors: Fabick Tractor Co., REEC, and Commerce's St. Louis Field Office.

SKOKIE, ILL.—May 22—Export trade seminar, Pyrenees Restaurant. Sponsors: Skokie Valley Industrial Assn. and Commerce Dept.'s Chicago Field Office.

SIKESTON, MO.—May 22—Export Conference at Sikeston Country Club. Sponsors: Fabick Brothers Equipment Co., REEC, and Commerce's St. Louis Field Office.

SIOUX FALLS, S.D.—May 5—Export Expansion Conference. Ramada Inn, noon. Sponsors: Sioux Falls Chamber of Commerce, South Dakota Industrial Development Expansion Agency, REEC, Commerce's Minneapolis Field Office.

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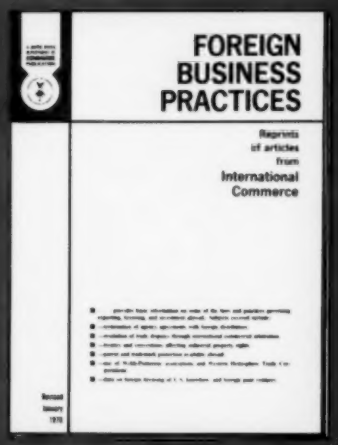

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